GA1.13: ID-82-47

BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Chairman
Committee On Foreign Affairs
House Of Representatives

ORIGINAL

Private Sector Involvement In The Agency For International Development's Programs

AID has made extensive use of the U.S. private sector to implement its projects, and this sector accounts for much of AID's expenditures for goods and services. AID has also used host countries' private sectors to implement projects and supply goods and services.

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AID has many individual projects which are directed toward private sector development. Specific programs directed toward the private sector include the services of the Office of Small and Disadvantaged Business Utilization, Title XII grants to U.S. universities, the Productive Credit Guaranty Program and the Housing Guaranty Program.

Although the precise amount of AID funds spent in the U.S. private sector is difficult to determine, well over half was spent in that sector in the last 3 years.

GAO/ID-82-47
AUGUST 26, 1982

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

B-206203

The Honorable Clement J. Zablocki
Chairman, Committee on Foreign Affairs
House of Representatives

Dear Mr. Chairman:

This report on the Agency for International Development's (AID) relationship to the private sector was undertaken in response to your December 18, 1981 request.

AID has limited programs directed specifically toward development of the American and/or host-countries' private sectors, although it has individual projects which are promoting private sector development. AID has made extensive use of the American private sector to implement its projects and this sector accounts for much of AID's expenditures for goods and services. AID has also used host-countries' private sectors to implement some projects and supply goods and services.

As arranged with your office, we did not take the time to obtain written agency comments. We discussed the report with agency officials and included their comments in the report where appropriate. We plan to distribute copies of the report to interested parties and make copies available to others upon request.

Sincerely yours,

Frank C Conahan

Frank C. Conahan
Director

GENERAL ACCOUNTING OFFICE
REPORT TO THE CHAIRMAN,
HOUSE COMMITTEE ON
FOREIGN AFFAIRS

PRIVATE SECTOR INVOLVEMENT IN
THE AGENCY FOR INTERNATIONAL
DEVELOPMENT'S PROGRAMS

DIGEST

The Chairman of the House Committee on Foreign Affairs requested GAO to review the extent to which the United States, through the Agency for International Development (AID), promotes and works with both the U.S. and host-country private sectors. Specifically, (1) what AID programs are directed toward and implemented through the U.S. and/or host-country private sectors, and (2) what AID funds are spent on procuring U.S. goods and services domestically and abroad, and on procuring indigenous goods and services in host countries.

AID historically has had a close relationship with the private sector, including direct loans to private U.S. and foreign firms, to joint ventures between U.S. and foreign firms, and to host-country public agencies for re-lending to the private sector. (See ch. 1.)

Since the early 1970s, AID's specific focus on basic human needs has limited its programs directed toward the U.S. private sector; AID programs directed toward the U.S. private sector include the services of the Office of Small and Disadvantaged Business Utilization, and Title XII grants to U.S. universities. AID has made extensive use of most segments of the U.S. private sector to implement projects, and the U.S. private sector accounts for the majority of project commodity expenditures. AID has also used host-countries' private sectors to implement its projects and supply goods and other services. (See ch. 2.)

AID's net disbursements in fiscal years 1979, 1980 and 1981 were $3.2, $3.6 and $4.0 billion, respectively, of which at least 56, 50 and 50 percent, or $1.8, $1.8 and $2.0 billion, respectively, can be identified as expenditures in the U.S. private sector. Of the remaining amounts, payments to the private sector cannot be isolated from those to the public sector; for example, AID makes payments to various U.S. Government agencies for goods and services, and these agencies in turn spend some of these funds in the private sector.

AID disbursements for indigenous goods and services in host countries cannot be quantified on an Agency-wide basis, however, project disbursements in the private sectors of the countries in GAO's case studies, for fiscal years 1979-81 (and as a percentage of total project disbursements for those years), ranged from a low of $283,100 (2%) in the Dominican Republic to a high of $4.8 million (73%) in Peru in 1979; from $376,000 (7%) in Cameroon to $7.4 million (77%) in Peru in 1980; and from $938,000 (10%) in the Dominican Republic to $20.6 million (80%) in Peru in 1981. (See ch. 3.)

AID programs directed toward host-country private sectors include the Housing Guaranty Program and the Productive Credit Guaranty Program and funding for the Latin American Agribusiness Development Corporation. AID also has numerous projects directed toward diversifying agricultural production, generating rural income, and improving health and family planning which are directed in some cases toward development of the private sector abroad.

The Reagan Administration has announced new initiatives for increased private sector involvement in developing countries which entail a different thrust from AID's development assistance program emphasis over the past decade. Less emphasis will be placed on the transfer of U.S. Government assistance funds and more on the transfer of "technology, skills knowledge and capital of the U.S. private sector." (See pp. 4 and 5.)

GAO discussed the report with AID officials and incorporated their comments as appropriate.

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ABBREVIATIONS

AID	Agency for International Development
ASHA	American Schools and Hospitals Abroad Program
LAAD	Latin American Agribusiness Development Corporation
GAO	U.S. General Accounting Office
PVO	Private voluntary organization
RTG	Royal Thai Government
SDB	Office of Small and Disadvantaged Business Utilization

CHAPTER 1

INTRODUCTION

At the request of the Chairman of the House Committee on Foreign Affairs, we reviewed the extent to which the United States, through the Agency for International Development (AID), actually promotes and works with both the U.S. and host-country private sectors. This request was concerned specifically with

--what AID programs are directed toward the U.S. and/or host-country private sectors;

--what AID programs are implemented through the U.S. and/or host-country private sectors;

--what proportion of AID funds is spent on procurement of U.S. goods and services, both domestically and abroad; and

--what AID funds are spent on procurement of indigenous goods and services in host countries.

For the purposes of this study and in accordance with the Committee's request, we have defined the private sector as including private and State universities, private financial institutions, private voluntary organizations, non-governmental contractors and consultants, and private enterprise services and material supppliers.

HISTORY OF AID'S INVOLVEMENT WITH THE PRIVATE SECTOR

Throughout the 1960s and early 1970s AID projects were directed toward the private sector through direct loans to U.S. and private foreign companies and joint ventures between private U.S. and host-country companies in such areas as cement, chemicals, corn-processing, electronics, fertilizer, retail sales, sewing machines, synthetic rubber and textiles. Loans were made to private electric utility interests in the Dominican Republic ($214,000) and Peru ($4.2 million); an automobile manufacturer in India ($15.6 million); sugar estates in Bolivia ($124,000); fishing industries in Somalia ($829,000); and a hotel in Zaire ($2.5 million), to name but a few.

During this period and through the 1970s, AID assisted in the establishment of agricultural credit programs, industrial development banks, and investment centers. Agricultural credit programs in the Near East, for example, have included projects in Egypt, Jordan, and Tunisia which were directed toward individual farmers and cooperative associations. AID was instrumental in organizing the Latin American Agribusiness Development Corporation and has "used it as a private sector intermediary for identifying investment opportunities and sponsors, and for introducing needed new technology in the small to medium-sized agribusiness."

AID was also instrumental in establishing a number of private industrial development banks and savings and loan institutions in Latin America. For example, COLAC, a Latin American confederation of credit unions, received a $4 million loan in 1975. AID reported that savings mobilized through credit unions in Latin America increased from $78 million in 1962 to $600 million in 1978 and membership from 300,000 to 2.5 million.

In India, AID loaned the Industrial Finance Corporation $9.5 million in 1960 and the Industrial Credit and Investment Company $4.5 million in 1961. Although the Industrial Finance Corporation is a public entity, the loan was to be used for relending to the private sector. A similar type of loan to the Industrial Development Bank of Turkey in 1964 ($7.5 million), not only assisted the private sector, but also provided an opening for the export of U.S. machinery to Turkey. AID has also provided capital and/or technical assistance to banks in Egypt, Korea, Pakistan, the Philippines, Thailand, and Taiwan.

Through capital market development projects, AID provided technical assistance to the Karachi Stock Exchange and helped to revitalize the Korean stock exchange. AID financed an investment guide and translation of Indonesian investment law to assist U.S. companies interested in Indonesia. It provided technical assistance for establishing industrial parks in Taiwan, Indonesia, and Thailand.

AID'S DISBURSEMENTS TO THE PRIVATE SECTOR

Table 1 shows AID's disbursements to the private sector for fiscal years 1979, 1980 and 1981 under the category "Within the United States." Payments to private sector entities also occur under the other categories but specific amounts cannot be identified because such payments cannot be isolated from those to the public sector.

Table 1

AID Net Disbursements

Category	1979 Amount (millions)	1979 Percent	1980 Amount (millions)	1980 Percent	1981 Amount (millions)	1981 Percent
Within the United States (note a)	$1,775	56	$1,795	50	$1,958	49
To other U.S. agencies (note b)	102	3	108	3	92	2
Outside the United States (note c)	220	7	283	8	328	8
Cash transfers to host governments (note d)	886	28	1,075	30	1,163	29
To other U.S. agencies for allocations (note e)	203	7	334	9	425	11
Total	$3,186		$3,595		$3,966	

a/Within the United States to the private sector for goods and services.

b/To other U.S. Government agencies such as the General Services Administration for goods procured from the private sector or the Department of Commerce for services provided under interagency service agreements.

c/For goods and services outside the United States, including payments to both public and private entities.

d/To host-countries, such as Israel, under cash payment agreements--Israel spends this transfer money in the United States.

e/To other U.S. Government agencies for allocation to international organizations such as to the Department of State for voluntary contributions to United Nations' agencies.

CONGRESSIONAL INTEREST IN THE PRIVATE SECTOR

Congress has long shown a strong interest in involving the private sector in foreign assistance programs. For example, Section 102 of the Foreign Assistance Act of 1961, as amended, states the policy that U.S. cooperation in development be carried out

> "* * * to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, free labor unions, and private and voluntary agencies."

Section 601, entitled "Encouragement of Free Enterprise and Private Participation" elaborates on this policy by specifying actions the President should take to promote greater private sector participation in foreign assistance programs. Numerous other provisions of the act encourage the use of both U.S. and indigenous universities, cooperatives, private voluntary organizations, and private firms in various programs. (See app. I for selected references.)

In the mid-1970s, Congress, through its "New Directions" mandate, directed AID to concentrate its assistance on programs serving the poor majority in developing countries. As a result, AID refocused its efforts toward programs for basic human needs and away from industrial emphases. AID, however, continued to use the U.S. private sector extensively for contracting for goods and services and implementing projects.

NEW INITIATIVES FOR PRIVATE SECTOR INVOLVEMENT

The Reagan Administration, shortly after taking Office, announced new initiatives for increased private sector involvement in developing countries. The Administrator of AID, in response to these initiatives, established the Bureau for Private Enterprise in July 1981. The Bureau's objective is to use U.S. Government funds as a lever to attract private resources for investment in, and technology transfer to, developing countries. The Administrator stated in October 1981 that less emphasis will be placed on the transfer of U.S. Government assistance funds and more on the transfer of "technology, skills knowledge and capital of the U.S. private sector."

In a May 1982 policy paper, the Bureau outlined three types of investments it intends to make in host-country private sectors.

1. Co-financing with commercial banks and other financial institutions in "appropriate highly developmental projects."

2. Capitalization of privately owned intermediate financial institutions which serve the private sector.

3. Direct investment in selected business enterprises (e.g., agribusiness) where replication by other enterprises would facilitate private sector development in host countries.

The policy paper points out that candidates for the program must have a viable private sector which has host-government support, be of strategic and commercial interest to the United States, and have an AID mission. Costa Rica, Egypt, Haiti, Indonesia, Ivory Coast, Jamaica, Kenya, Pakistan, Peru, Sri Lanka, Thailand, and Zimbabwe were selected for program focus. Agribusiness, intermediate credit institutions and other elements of indigenous capital markets, leasing of capital equipment, manufacturing, and management training were selected for initial emphasis.

OBJECTIVES, SCOPE, AND METHODOLOGY

We interviewed AID officials and program personnel responsible for and/or knowledgeable of AID's relationship to the private sector. AID reports provided data for our background discussion; our interviews with AID officials, coupled with our review of AID program documents, served as the basis for our sector summaries. Because AID data is not categorized according to private sector/public sector activity, we were unable to quantify the extent of private sector participation in program sectors other than for population. We have, therefore, used examples selected primarily by AID officials to illustrate various types of private sector involvement.

In discussing AID financial expenditures, we obtained data for fiscal years 1979, 1980 and 1981. We used disbursement data in discussing net expenditures; disbursements for specific expenditures in the private sector, such as for university services, are not available.

We made case studies of AID programs in Thailand, the Dominican Republic, Cameroon, Kenya and Peru, which provide good examples of the range of AID's involvement with both the U.S. and host-countries' private sectors. Our country selections were made upon the basis of Committee interests, discussions with AID officials, and the fact that each country has viable private sector elements with which AID can work. We did not perform field work ourselves. The AID missions in each country provided project data for fiscal years 1977-81 and disbursement data for fiscal years 1979-81. We did not independently verify this data and thus are basing our assessments on the premise that the data are correct. We met with overseas mission officials to discuss this study and the AID programs in the respective countries when they were in Washington, D.C. Mission data vary to some extent and, therefore, so do our country discussions. Where necessary, we have supplemented the mission data with information from AID reports. We discussed the report with AID officials and have incorporated their comments as appropriate.

In discussing the report with AID officials, they stated that our data base was limited and did not address all AID activities related to the private sector, such as assistance to small farmers and regional educational institutions which provide training for the private sector.

Parameters must be drawn in defining "private sector" or the entire AID program could conceivably be described as assisting or benefitting the private sector. However, we have included some assistance to small farmers as "private sector development" (see pp. 13 and 14, 35, 45, 55, 65, and 77 and 78).

The results of our oral interviews and reviews of AID data provide what we judge to be a comprehensive description of the manner in which AID promotes and works with the private sector. We have made no judgments on how successful AID's efforts have been. Our work was done in accordance with the Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

CHAPTER 2

AID'S USE AND PROMOTION OF THE PRIVATE SECTOR

AID's focus is on promoting the socio-economic advancement of developing countries. Thus, it has few programs directed specifically toward the U.S. private sector, but does use it to implement its projects and supply goods and services to its operations. Programs directed toward development of host-country private sectors are likewise few in number, but AID does have specific projects which are directed toward host-country private sector entities, and developing countries' private sectors are used to implement and provide goods and other services for AID projects.

This chapter discusses AID's Office of Small and Disadvantaged Business Utilization, which is directed specifically toward U.S. businesses; centrally funded program activities, which are directed toward both U.S. and host-country private sectors; and the functional sectors 1/, which have projects directed toward host-country private sector entities. It also discusses private sector implementation of AID programs.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

The Office of Small and Disadvantaged Business Utilization (SDB) in the Bureau for Private Enterprise provides counseling and related services to small and disadvantaged U.S. businesses to enable them to participate in supplying equipment and services financed by AID. In doing so, SDB

--makes available to suppliers, and particularly to small independent enterprises, information about types of purchases to be financed with AID funds;

--makes available to prospective purchasers in host countries information about commodities and services provided by some 12,000 small independent enterprises in the United States;

--publishes announcements of upcoming procurement of equipment and supplies for AID projects by recipient countries; and

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1/Agriculture/Rural Development/Nutrition, Health, Population, Education and Human Resources Development, and Selected Development.

--maintains a Contractor's Index of approximately 4,000 firms and consultants interested in providing professional and technical services.

SDB also coordinates the establishment of specific dollar goals for AID direct-contract awards for services to small businesses in the United States.

An AID official estimated that commodities procured from U.S. firms by host countries for fiscal years 1979-81 amounted to over $2.4 billion, of which small U.S. businesses have been identified as having supplied about $483 million, as shown below.

Fiscal year	Estimated total host-country procurement	Small business-supplied goods which can be identified	
		Amount	Percent
1979	$ 812,400,000	$158,800,000	19.5
1980	948,600,000	222,000,000	23.4
1981	653,400,000	102,100,000	15.6
Total	$2,414,400,000	$482,900,000	

CENTRALLY FUNDED ACTIVITIES

AID activities which promote development in more than one country or region of the world are administered by AID's central bureaus rather than by the regional bureaus. Collectively, these programs, which represent about 20 percent of AID's total development assistance funds, significantly augment AID's funding of individual country development programs.

Table 2 summarizes the funding for centrally funded programs for fiscal years 1979-81. AID officials advised us that, except for projects implemented by other U.S. Government agencies and those carried out by international organizations, the bulk of centrally funded activities are carried out by U.S. universities, contractors, and private voluntary organizations (PVOs). A few programs are directed expressly at developing the capabilities of private sector organizations.

Table 2

AID Centrally Funded Programs

AID Bureau/Office	Fiscal years 1979	1980	1981
	- - -(000	omitted)- - -	
Science and Technology	$245,480	$242,079	$252,603
Private and Voluntary Cooperation	34,887	30,928	36,666
Foreign Disaster Assistance	26,531	19,600	11,844
Private Enterprise	-0-	6,511	6,799
Science Advisor	-0-	-0-	11,896
American Schools and Hospitals Abroad	25,000	25,000	20,000
Program and Policy Coordination	6,760	4,967	5,004
Total	$338,658	$329,085	$344,812

Programs directed toward U.S. private sector

Strengthening the capabilities of U.S. educational and medical institutions and PVOs is a primary objective of some centrally funded programs. These include the American Schools and Hospitals Abroad, Title XII strengthening grants, and PVO institutional development and support grant programs.

American Schools and hospitals Abroad

The American Schools and Hospitals Abroad program (ASHA) is aimed at strengthening the ability of U.S.-affiliated educational and medical institutions abroad to carry out their respective missions. ASHA program funding for fiscal years 1979-81 was $25 million, $25 million, and $20 million, respectively.

ASHA grants help a variety of private institutions, including secondary schools; undergraduate institutions with programs in liberal arts, business, engineering, medicine, nursing, agriculture and the sciences; graduate institutions providing specialized training in health, the physical sciences and international studies; and hospital centers offering health care, medical education, and research.

According to an ASHA official, about 60 percent of ASHA program funds was spent on host-country goods and services and 40 percent on U.S. goods and services. For fiscal year 1981, medical institutions received 30 percent of total ASHA funds and educational institutions received 70 percent.

Title XII strengthening grants

Strengthening grants, authorized in 1975 by Title XII of the Foreign Assistance Act, are used to develop U.S. universities' capabilities to implement AID's agriculture/ rural development/ nutrition programs. Title XII has no specific funding authority aside from funds generally available for agriculture/rural development/nutrition. AID estimates that about $25 million was granted to 50 universities during the first 5 years of the program. Most grants include a provision whereby AID matches university contributions up to a maximum of $300,000.

PVO programs

AID has also provided grants since 1975 to PVOs to improve their capacity to design, manage, and evaluate their programs overseas; 39 American PVOs have received institutional development or support grants. These grants are now being phased out in favor of matching or cost-sharing grants. According to AID's Office of Private and Voluntary Cooperation, ten PVOs had active institutional development and support grants totaling $32.9 million as of January 1, 1982.

Projects directed toward host-country private sector

We identified some Science and Technology projects aimed at developing or strengthening host-country private sectors. Although the project implementors were generally U.S. private concerns--usually one or more universities or private firms--the objective was clearly to develop host-country private sector capabilities. The aims of these projects included

--transfering U.S. technology and managerial expertise to host-country enterprises,

--facilitating the establishment of viable commercial seed enterprises in developing countries,

--stimulating the growth of small rural enterprises,

--developing materials to train out-of-school unemployed youth in the management skills necessary to initiate small businesses and coöperatives,

--developing local capabilities to manufacture low-cost water pumps, and

--developing private sector capabilities to produce charcoal.

We also noted certain centrally funded PVO projects aimed at developing host-country private sector capabilities. For example, matching grants to Technoserve, Inc., and the Institute for International Development, Inc., are intended to expand and strengthen their programs for developing small-scale enterprises in developing countries. One centrally funded grant to Partnership for Productivity was intended to help improve the effectiveness of that organization's affiliated PVOs in developing countries serving the needs of small rural businesses.

Projects implemented through U.S. private sector

Aside from a small number of projects implemented on a reimbursable basis by other U.S. Government agencies and a few carried out by international organizations, AID categorized centrally funded activities as being primarily implemented by the U.S. private sector. The Bureau for Science and Technology's information showed that $232 million of $269 million administered by the Bureau for fiscal year 1982 was to be channeled through U.S. private concerns, primarily U.S. universities. The Bureau administers almost 75 percent of AID's centrally funded programs. Recipients of Science and Technology project funds include U.S. universities, private firms, and PVOs which conduct and/or apply research in development problems in developing countries, provide technical assistance in specialized fields, and provide training to host-country private and government personnel.

AID's Office of Private and Voluntary Cooperation, which administers centrally funded PVC programs, said that all of its programs are implemented by U.S. and/or host-country private concerns. Recipients of grants under the central program include American PVOs and consortia of American PVOs, U.S. cooperatives, and some private firms which give PVOs technical assistance in programming, financial management, and evaluation.

A limited number of contracts and grants are managed by the Bureau for Program and Policy Coordination and the Office of the Science Advisor. For fiscal year 1982, the Bureau was managing projects totaling about $7 million related to women in development, human rights, and socio-economic studies of development issues. Many of these projects are implemented by U.S. private concerns. The bulk of the Science Advisor's funds which totaled $10 million in fiscal year 1982, supports a grant to the National Academy of Sciences, which is working on innovations in applying science and technology in developing countries.

Projects implemented through host-country private sector

While Science and Technology officials said that few of the Bureau's projects are implemented by the host-country private sector, we found host-country private sector participation included in many project descriptions. While principal grantees are usually U.S. universities, private firms, corporations, cooperatives and PVOs, local organizations often participate in project activities. For example, host-country universities collaborate on some AID research projects; indigenous local retail outlets are often used to distribute contraceptives and family planning information; and host-country lending institutions re-lend AID project funds to establish or expand local enterprises.

Similarly, although the principal grantees of Private and Voluntary Cooperation's central funds are generally American PVOs and cooperatives, AID officials estimated that about 50 percent of these project funds are actually implemented by indigenous PVOs under subgrants. We were told that AID is developing a system to track AID funds channeled through PVOs. This system, which is not yet fully implemented, will identify funds going through host-country PVOs.

AGRICULTURE/RURAL DEVELOPMENT/ NUTRITION SECTOR

AID's Agriculture/Rural Development/Nutrition sector is the largest funded sector of AID's development assistance programs. AID has increased program funding for this sector during each of the fiscal years 1979-81. Funding levels as shown in AID's congressional presentations for these years were $614 million, $631 million, and $653 million, respectively.

Program activities have focused on such activities as (1) increasing small farmer income and productivity, (2) creating on- and off-farm employment, and (3) removing institutional and policy impediments to increased and diversified production. AID has used the U.S. and host-country private sectors extensively to implement its agriculture activities. The U.S. private sector is the primary source of technology and managerial skills and commodity supplies; PVOs, universities, and consultants are examples of U.S. private sector entities that AID has used to implement its projects. Host-country PVOs, universities and contractors have also implemented projects and provided goods and services, and indigenous intermediate credit institutions have provided loans to farmer-cooperatives and agribusinesses.

Projects directed toward host-country private sector

AID's projects directed toward the host-country private sector, such as those below, have helped in the establishment of intermediate credit institutions and have encouraged the promotion of private enterprise by transferring from the public to the private sector the distribution of food and fertilizer.

--AID in 1978 approved a $150 million "Fertilizer Distribution Improvement" project in Bangladesh. Under the project agreement, the Bangladesh Government agreed to the nationwide introduction of wholesale and retail competition among private fertilizer dealers, cooperatives, and other private individuals and businesses on an equal basis. The two basic objectives of the system were to (1) remove the deterrents to farmer access to fertilizer products and (2) reduce government marketing and distribution costs. According to AID, the new marketing system initiated under the project has transferred much of the distribution and marketing from 423 government retail outlets at the local level to 4,500 private wholesalers and a number of retailers all over the country. However, our 1981 report to the Chairman of the Senate Foreign Relations Committee 1/ stated that there were several problems with the project, including inadequate profit margins for the private sector participants.

--In 1980, AID proposed a $10 million "Enterprise III" project as a follow-on to previous projects in Africa. AID loans were made to the Entente Fund (made up of the Ivory Coast, Togo, Benin, Niger and Upper Volta), but the projects themselves were directed toward small and medium-size entrepreneurs in the Entente countries. The Entente Fund lends the loan proceeds to the member-state development banks which in turn relend to the African entrepreneurs.

Enterprise I and II projects (1973 and 1976) totaled $17.5 million in AID loans and $1.7 million in technical assistance (to help the development banks identify and evaluate viable projects). Over 300 loans were made under Enterprise I and over 400 loans were expected to be made under Enterprise II; the average loan was for $22,000. In January 1979 an AID consultant reported that the projects led to the creation of "some hundreds" of private entrepreneurs in such areas as agro-industry and fishing, manufacturing, education and health, and construction."

1/"Poor Planning and Management Hamper Effectiveness of AID's Program to Increase Fertilizer Use in Bangladesh" (ID-81-26, Mar. 31, 1981).

The Enterprise III project is directed toward smaller entrepreneurs and toward agro-industry in rural areas and market towns. Efforts will also be made to interest entrepreneurs in manufacturing water pump equipment and developing village water equipment service capabilities to support U.S. and other donor-funded Entente village water programs.

--AID in August of 1981 approved a $6 million loan to the Latin American Agribusiness Development Corporation (LAAD), a private corporation chartered in Panama, for an "Agribusiness Employment/Investment Promotion" project in Central America. LAAD was to finance an estimated 44 agribusiness projects which were expected to create about 10,000 jobs in such industries as tree nurseries and processing of pork products in Costa Rica; small agricultural equipment manufacture in El Salvador; frozen food processing and wheat growing and milling in Guatemala; manufacture of farm tools in Honduras; canned fruit and vegetable production in Nicaragua; and grain processing in Panama.

Previous AID funding for LAAD included a loan of $6 million in 1971, to establish LAAD as a commercially viable, development-finance enterprise and to promote agribusiness in Central America, and loans of $5 million in 1975 and $6 million in 1980. AID reports that a review of its performance shows that LAAD has directed its loans and investments toward the purposes for which it was established. Loans were made to enterprises producing agricultural and livestock products or processing, transporting and marketing such products. Over 100 companies in Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica were assisted.

Projects implemented through U.S. private sector

The U.S. private sector is AID's primary source of technology and managerial skills and commodities for agriculture projects. AID and host-country governments have employed the services of U.S. universities, PVOs, contractors, consultants, and material suppliers. For example:

--A U.S. firm is helping the Government of Jordan to implement a $1.1 million "Jordan Valley Farmer Association" project which was approved in September 1977. AID is funding a consultant under host-country contract to assist the association in defining policy and address organizational and functional problems. The association will provide farmers with agribusiness and technical assistance services to give them an effective voice in agriculture production and policy decisions. U.S. technicians and specialists are providing the farmers with technical assistance in marketing, financial management and member relations.

--Since September 1977, Louisiana State University has been implementing a $5.4 million project in Sri Lanka to upgrade and modernize the rice industry. Working through a Paddy Marketing Board, a quasi-government marketing institution, AID funds are being used to upgrade the plant facilities of both public and private millers, and participant training is being provided to the Board. The AID Mission in Sri Lanka reported that the role of the Board has lessened since the private sector has assumed a much larger role in rice marketing.

--In Lebanon, the American PVO, Save the Children Federation, is implementing a $6 million credit cooperative project. The project was approved in July 1981 and was intended to assist, via a local fund mechanism, small-scale entrepreneurs, farmers, and artisans suffering from the then civil strife in Lebanon.

Projects implemented through host-country private sector

Examples of projects implemented through host-country private sectors are as follow.

--In Bangladesh, AID has programmed $100 million for "Rural Electrification" (I and II) projects in 1977 and 1981. The AID Mission in Bangladesh reported that in Phase I, all consultant (9) and contract (35) awards were given to Bangladesh private sector firms for a total award of $4.5 million. The project is to provide electric power to rural areas for production and employment creation and to rural households and community services facilities. Local private capacity is being developed to engineer, design and construct electrical distribution systems and to manufacture and/or supply construction commodities, electrical equipment, appliances, spare parts and services. AID reports that over 1,000 electricians have been trained and returned to their villages as private entrepreneurs.

--In Syria, a $26 million "Rural Road" project, approved in August 1979, is being implemented by private Syrian companies, which are constructing approximately 60 rural roads totaling over 650 miles.

--AID has been using Ghanian PVOs along with American PVOs since 1977 to implement a $4 million "Farmer Association and Agribusiness Development" project. PVOs such as the Ghana Rural Reconstruction Movement and the American Young Men's Christian Association are training rural craftsmen in business skills and are promoting village development. PVOs have received AID grants to work with small farmers, crop associations, and rural entrepreneurs. New farmer associations have been organized and their members and other rural entrepreneurs are receiving training through extension services. Improved agricultural techniques are being introduced through demonstrations and extension work. Projects nearing completion include two sugar syrup mills, a crafts development center and a number of village health and sanitation projects.

HEALTH SECTOR

AID program funding has been fairly constant during 1979-81. Funding levels as shown in AID's congressional presentation for these years were $132.9 million, $130.0 million and $143.3 million, respectively.

AID focuses on working with developing-country governments to increase access to adequate health facilities, reduce infectious disease and increase government capacities for planning and managing health programs. The American private sector is involved in all phases of the projects. The host-country private sector is involved in construction or commodity procurement. In general, host-country private sector activity is less than that of its U.S. counterpart. Health-related activities are usually concentrated in the public sector in most developing countries; therefore, little project activity can be classified as developing host-country private sector capacity.

AID officials said that where indigenous private health firms are well developed, AID has had little success in involving them in actual health care delivery due primarily to the fact that AID's basic human needs mandate requires that it concentrate on rural primary health care. Private firms prefer to locate in the urban areas where the populace is more likely to be able to pay for health care.

Projects directed toward host-country private sector

Although health services are often located in the public sector, AID officials identified instances in which projects have been directed toward developing indigenous private health-related services, such as

--AID's $9.9 million "Water Supply and Sanitation for Health" project, initiated in 1980, focused on developing various host-countries' private-sector manufacturing capabilities. This project incorporated previous technical assistance activities going back to 1976, including AID assistance to private businesses for the manufacture of hand water pumps. Such assistance was given to private businesses in 8 countries: Nicaragua, Costa Rica, Dominican Republic, Honduras, Indonesia, the Philippines, Sri Lanka, and Tunisia. AID estimates that through this transfer of technology, the Dominican Republic for example, has saved approximately $400,000 since 1978 by reducing the need for imports. Manufacturers in Sri Lanka are marketing their products to PVOs and consulting firms.

AID officials also identified several projects which have developed private sector medical capabilities, and one official said that training of medical and paramedical personnel has in some cases resulted in the development of local medical and health-related entrepreneurs in the private sector. For example, a $7 million village medic project, approved in 1981 to extend health services to the rural poor in Bangladesh, is training, equipping and assigning private health practitioners to 65,000 villages. It is intended that these medics will be licensed by the Government and supported solely by service fees.

Projects implemented through U.S. private sector

As with most AID projects, health projects rely on the expertise of U.S. private concerns, such as universities, PVOs, and private contractors for implementation. The water pump project discussed above was implemented jointly by the Georgia Institute for Technology, which conducted the feasibility studies, and Batelle Memorial Institute, which developed the design for the pump.

Health projects implemented through the U.S. private sector, include the following.

--Boston University field staff and consultants have conducted workshops on village health-worker training materials, regional post-basic nursing curriculum development, and operational research on affordable health delivery systems under the $20 million "Strengthening Health Delivery Systems" project which began in 1977. The purpose of this project is to develop and strengthen the capability of 20 Central and West African countries to plan, implement and manage effective and economically affordable delivery systems for rural populations.

--The New Transcentury Foundation is implementing a $7 million water project authorized in 1979 and scheduled for completion in 1983. It is providing technical assistance to officials in the Ministry of Public Works in the Yemen Arab Republic for the construction, maintenance and management of 140 rural water systems.

--The U.S. engineering firm of Technical Management Services, Inc., is working with Government personnel in the Yemen Arab Republic on the $5 million "Water Supply Systems Management" project authorized in 1977 by providing technical assistance and training to the National Water and Supply Authority for the construction and management of sewerage systems.

Projects implemented through host-country private sector

Host-country private sector involvement occurs in small-scale construction projects and for commodities which are less costly on the local market than on the international market. For example, a local private firm is the contractor for the $750,000 "Potable Water Systems" project authorized in 1979 for Tunisia, which involves construction of a reservoir and pumping station, and distribution of pipes and taps to expand the water system serving three rural villages.

In some instances, host-country and U.S. firms implement projects jointly, for example:

--For the $30 million "Integrated Rural Health/Family Planning" project begun in 1980 in Nepal, the John Snow Public Health Group, Inc., a U.S. firm, is the primary contractor and a local construction supervisor and malaria safety advisor are subcontractors.

--Several Sri Lankan construction contractors are providing services and Engineering Science of Arcadia, California, is providing technical assistance and short-term training for the "Jaffna Town Water Supply" project in Sri Lanka. This $8 million project was approved in 1980 to improve the quality, availability and reliability of drinking water for the target population of the Jaffna Peninsula.

--The $21 million "Local Water Development I" project in the Philippines has 20 to 30 local construction contractors. Technical assistance is being provided by James M. Montgomery, Inc., a U.S. firm. This project, which was approved in 1976 and is scheduled for completion in 1983, should provide safe drinking water to rural populations and create viable local water districts.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT SECTOR

AID's fiscal year program funding in this sector was $97.7 million in 1979, $97.8 million in 1980 and $102.7 million in 1981. Actual funding for education purposes has probably been even greater since projects classified under other AID sectoral categories often involve education elements such as training. For example, a "population" project may include training of medical personnel in contraceptive practices, while a "health" project may include training in sanitation.

Because education is often a public sector activity in many countries, AID education programs have most often been directed toward strengthening the capacity of public institutions to deliver educational services. Both U.S. and host-country private concerns, however, have often been involved in implementing individual projects. American universities have provided specialized training to host-country personnel in both public and private sectors. U.S. and host-country firms have provided technical assistance in setting up education programs and in constructing educational facilities. PVOs have been used to conduct a variety of training programs, and privately-owned radio stations have provided a mechanism to deliver services to remote areas.

Projects directed toward host-country private sector

We identified the following examples of projects which promoted host-country private sector activity.

--The Institute for International Development, Inc., (U.S.), has worked toward establishing an entrepreneurial training center in Kenya and improving existing centers in Honduras, Colombia and Indonesia under a $1 million AID grant made in 1979.

--The Panamanian Association of Business Executives has provided training and technical assistance to small businessmen under a $450,000 AID grant made in 1980.

--Mississippi State University has provided technical assistance and training to create 25 commercial seed industries in developing countries. American assistance since 1958 has totaled $3.5 million.

One longstanding program which has increased the capabilities of host-country private educational institutions and commercial firms is the AID participant training program. Since 1941, over 200,000 individuals from abroad have received training to provide developing countries with leadership in science, business and industry, communications, transportation and housing. Private sector participants have included university professors and industrial, banking and commercial leaders.

Projects implemented through U.S. private sector

U.S. universities and commercial firms have been active in implementing education projects through direct training, technical assistance and research. AID officials cited the following examples.

--Practical Concepts, Inc., trained about 500 managers from 34 developing countries in the design, implementation and evaluation of development projects from 1974 through 1980 under a $3 million AID grant.

--Creative Associates, Inc., has conducted a functional education project since 1979 under a $416,000 AID grant. This project integrates literacy training into a program designed to teach work skills.

--Southern Illinois University has provided technical assistance for a radio-education teacher training project in Nepal under a $3.3 million AID project begun in 1977.

PVOs have also taken an active role in a variety of education and training projects, as illustrated by the following AID matching grants.

--The International Institute of Rural Reconstruction received a $1.4 million grant in 1980 to provide training in rural development at its international training center in the Philippines.

--Project Concern, International, under a 1979 AID grant of $1 million, has trained community health workers in several countries in Latin America and Africa.

--The Young Men's Christian Association has been conducting worldwide programs related to human resource development and management training through a $2.7 million AID grant made in 1978.

Projects implemented through host-country private sector

Host-country private organizations have participated in many projects. Local firms, for example, are almost always used to construct educational facilities and often provide commodities to support project activities. AID has also used local organizations to implement certain education projects, as illustrated below.

--The Lesotho Distance Teaching Center has channeled funds to existing local service agencies and institutions to deliver training in various fields at the local level under a $5.8 million project first funded in 1979. These agencies vary by type but are usually private sector organizations.

--The Costa Rican National Development Foundation has assisted cooperatives and small entrepreneurs to improve their management capacity through $385,000 in AID-mission support over a 3-year period.

--Operation Friendship (a local Jamaican organization) received a 3-year $450,000 grant from the AID Mission to provide vocational education to young people interested in marketing.

POPULATION SECTOR

AID allocations for population planning activities were about $185 million in each of fiscal years 1979 and 1980 and $190 million in 1981. Because some developing-country governments are reluctant to be associated with family planning activities due to the sensitivity of the issue, the U.S. and host-country private sectors often implement AID population projects. As shown below, private sector entities implemented about half the fiscal year 1980 AID population program. Private sector participation may be understated since recipient governments often use private sector organizations to implement their bilateral programs.

Table 3

AID Population Program (note a)
Fiscal Year 1980

Implementation	Obligations (millions)	Percent
Private Sector:		
Private and voluntary organizations	$ 44.5	24
Universities, educational and professional organizations	25.1	14
Other private concerns	19.1	10
	88.7	48
Public Sector:		
Bilateral programs	60.2	33
U.N. Family Planning Agency	32.0	17
Other U.S. Government agencies	4.0	2
	96.2	52
Total	$184.9	100

a/AID does not routinely maintain program obligation data in this format, so we were unable to provide this data for other program sectors.

AID has tried to integrate family planning into health delivery systems in some developing countries. Because health often is a public sector activity, AID family planning projects are sometimes geared toward strengthening the public capacity to deliver services. Private concerns are often used to implement population projects, however, and their ability to deliver services are also thereby improved and strengthened. AID officials did point out that the contraceptive manufacturing capabilities of Thai and Indonesian private firms were outgrowths of AID population programs in those countries. AID has also been encouraging developing-country governments to lower trade barriers on raw materials essential for the manufacture of contraceptives.

Projects implemented through U.S. private sector

Nearly a quarter of the fiscal year 1980 AID population program, in dollar terms, was implemented by five U.S. PVOs which specialize in family planning: International Planned Parenthood

Federation, Family Planning International Assistance, the Association for Voluntary Sterilization, the Pathfinder Fund and the Population Council. These PVOs serve to channel AID funds and provide technical assistance and training to host-country clinics, hospitals and service centers providing family planning services. For example:

--International Planned Parenthood Federation has conducted a population program in the Western Hemisphere with $213 million in AID funding since 1968.

--Family Planning International Assistance has received $132 million in AID assistance since 1971 for its programs.

--The Pathfinder Fund has conducted a $76 million program over 14 years since 1968 throughout the developing world.

U.S. universities, research institutions and commercial firms have also participated in AID population programs, as shown in the following examples.

--Johns Hopkins University has conducted a $54 million training program overseas since 1973 to enhance the capabilities of developing country physicians in contraceptive techniques.

--The Universities of North Carolina and Hawaii began a 5-year $40 million project in 1978 to train paramedics, nurses and midwives in family planning techniques.

--Batelle Memorial Institute has been working with recipient governments on population policy analysis since 1977 under a $7 million AID grant.

--Westinghouse Health Services has been conducting contraceptive prevalence studies in several developing countries under a $14.5 million project begun in 1977.

AID officials pointed out that in Latin America, assistance has been channeled almost entirely through the private sector. They attributed AID's success in Latin America in part to the entrepreneurial character of the private sector which saw the need to break away from such traditional distribution channels as government clinics and hospitals and toward the development of community outreach programs involving local retail outlets.

Projects implemented through host-country private sector

The extent of U.S. private sector involvement in population activities is well documented but the extent of indigenous private sector participation in developing countries is less clear. An AID official said that many American contractors, PVOs and universities which receive AID population grants in turn award subgrants to local clinics, institutions, community groups and private firms to provide services to local people. The best estimate that AID could provide was that about 50 percent of its centrally programmed funds for PVOs--about $30 million in fiscal year 1980--was implemented through indigenous PVOs.

Several AID officials cited the Contraceptive Retail Sales program as a good example of a population program which is implemented by the host-country private sector. This program began in 1974 and has an authorization of $50 million. U.S. private firms and PVOs have developed marketing networks in several countries for the retail sale of contraceptives. Local pharmacies, general stores, village shops, non-profit clinics and educational centers participate in the sales network. Population Services International for example, has developed a network of over 70,000 private retail outlets to distribute contraceptives in Bangladesh.

SELECTED DEVELOPMENT SECTOR

The Selected Development sector enables AID to address subjects which cut across or fall outside its other functional areas. Program funding for Selected Development for fiscal years 1979-81 was $117.4 million, $119.8 million, and $112.9 million, respectively, with emphasis on energy and small enterprise projects.

In general, U.S. private entities such as PVOs, universities and private consultants are involved in implementing energy projects through direct contracts and subcontracts with U.S. Government agencies under AID interagency agreements. Host-country private sector activity was not as extensive as that of American firms. AID officials did note, however, that indigenous laboratories and universities as well as construction firms and equipment suppliers were used in project implementation. The effect of some energy projects has been to develop local private sector capabilities.

Energy projects directed toward host-country private sector

Projects in the energy area are generally research and public sector oriented but do develop private sector expertise and knowledge. These projects have two major focuses: to introduce, evaluate, and conduct research on alternative energy technologies at the village level, and to improve host-government institutional capabilities for energy surveys, research, and management. Many of Science and Technology's projects involve training programs and technical assistance. AID is also encouraging greater participation by individuals from private industry in its training programs, and half of its centrally funded projects are directed toward host-country private sectors by providing technical assistance, advice and training.

The objective of several AID projects is to study, introduce and evaluate different energy techniques. As part of the projects, villages receive training in better management and production techniques.

For example:

--Villagers will receive training in improved technical horticultural skills as part of the "Community Forestry School Free Nursery" project in Guinea. The primary purpose of the project is to build a foundation on which an expanded community forestry program can be based. Wood products are used as an energy source.

--Villagers in Upper Volta will learn management and maintenance of village solar power systems under a project intended to demonstrate, study, and evaluate the potential of solar energy as a power source, and its social and economic impact.

An AID official told us that some projects have the effect of supporting local businesses; for example, the rural electrification distribution program in Asia is oriented toward productive uses that increase agricultural output and provide an essential input to small industries. Ongoing projects in the Dominican Republic and Jamaica are helping private firms to adopt new energy saving techniques.

Energy projects implemented through U.S. private sector

AID's Africa, Asia and Latin America bureaus reported that there was wide use of U.S. private sector entities in most of their projects. Many Science and Technology projects involve the U.S. private sector in the implementation phases. According to an AID official this estimate of private sector involvement may be understated because work on projects implemented by U.S. Government agencies through interagency agreements is often subcontracted out to American private consultants and universities. Following are examples of projects being implemented by the U.S. private sector.

--The University of Wisconsin is implementing "Energy Manpower and Training," a $1 million project in Indonesia, to increase the number and competence of indigenous "energy professionals." Twenty-five Indonesian Government officials and university personnel at the Institute of Technology at Bandung will study at the University of Wisconsin and complete energy-related internships in the United States.

--Volunteers in Technical Assistance (VITA), an American PVO, is addressing the need for renewable energy technologies at the community level. With a $1.9 million grant from the Bureau of Science and Technology, VITA is promoting developing-country use of small-scale, low-cost technologies such as stoves and hydraulic power systems. VITA has established a field office in Asia and plans to open others in Africa and Central America.

Energy projects implemented through host-country private sector

Host-country private sector involvement is not as extensive as that of U.S. private entities. AID officials attributed this to:

--The advanced state of energy technologies precludes extensive indigenous private sector participation.

--The AID energy budget is relatively small, so limited resources are devoted to providing technical assistance.

--The energy sector in many developing countries is publically controlled, so AID concentrates on improving the host countries' abilities to assess energy problems and develop energy policy through technical assistance, training and education projects.

Despite these constraints, energy projects do show host-country private sector activity as host-country universities, private laboratories, and manufacturing and construction firms are used. In some cases indigenous private firms work with U.S. private sector entities. For example:

--Local firms are handling construction work and procuring commodities and equipment for the $8.6 million "Non-Conventional Energy" program in the Philippines. The project will exploit non-conventional energy resources as an alternative to fossil fuels procured from foreign sources.

--Work has been subcontracted to local engineers for AID's $5 million "Renewable Non-Conventional Energy" project in Thailand.

CHAPTER 3

CASE-COUNTRY STUDIES

AID and its predecessor agencies have been providing assistance to Thailand, the Dominican Republic and Peru since the Marshall Plan period of 1949 through 1952, and to Cameroon and Kenya since the early 1960s. Each country is promoting, albeit to varying degree, the development of its private sector. Thailand and the Dominican Republic have relatively strong private sector bases; Cameroon and Kenya have more mixed economies with the Government of Cameroon appearing to be more actively promoting private sector development; and Peru is now taking steps to reduce State ownership in favor of the private sector.

The AID programs in each country have projects directed toward and/or implemented by the respective indigenous private sectors. The U.S. private sector is also involved in each country as project implementors and commodity suppliers.

THAILAND

As shown by the payments in table 4, the AID program for Thailand involved heavy use of both the U.S. and Thai private sectors during fiscal years 1979-81. The payments cover contractor services for the various elements of project implementation as well as for the procurement of commodities. Overall payments in fiscal year 1979 were $4 million, or 64 percent to private sector entities, and $2.3 million, or 36 percent to the public sector. In 1980 and 1981, payments were $4.1 million (58 percent) and $3 million (42 percent), and $6 million (59 percent) and $4.1 million (41 percent), respectively. The 1980 and 1981 figures include AID disbursements to the Royal Thai Government (RTG) from Economic Support Funds; the AID Mission in Thailand noted that much of this money is spent by the RTG in the private sector for goods and services for Cambodian, Laotian and Vietnamese refugees.

The Mission also reported the following payments to the private sector for such operating expenses as commodities, rent, and Thai employee salaries. No public sector expenditures were provided by the Mission.

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	Fiscal years 1979	Fiscal years 1980	Fiscal years 1981
U.S. private sector	$ 134,236	$ 273,295	$ 366,616
Thai private sector	893,134	1,156,762	1,436,302
Third-country private sector	82,446	38,040	38,324
Total	$1,109,816	$1,468,097	$1,841,242

The Mission reported on 33 projects, some of which cover more than one functional sector. We identified the projects as

--5 directed toward the Thai private sector,
--16 directed toward the RTG,
--2 directed toward both the Thai private sector and RTG, and
--10 "others." 1/

We categorized project implementation as

--16 implemented by the U.S. private sector,
--2 implemented by the Thai private sector,
--5 implemented by both the U.S. and Thai private sectors,
--1 implemented by the RTG, and
--9 "others." 2/

The U.S. private sector provided commodities for two projects, the Thai private sector provided for five, and both provided for two projects.

The following sections briefly describe private sector involvement.

Agriculture/Rural Development/Nutrition

AID's program in this sector for fiscal years 1977-81 has been directed primarily toward technical assistance and training

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1/Five are regional, two are Thai beneficiary, and three are unidentified.

2/Two are U.S., Thai, and third-country private sectors; three are Thai and third-country private sectors; one is third-country private sector; three are unidentified.

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Table 4
USAID/THAILAND PROJECT PAYMENTS TO PRIVATE AND PUBLIC SECTORS IN FISCAL YEARS 1979-81

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
				(000 omitted)					
Agriculture/Rural Development/Nutrition									
Seed Development	1979	$1,016.4	$ -0-	$ -0-	$1,016.4	$ -0-	$1,016.4	100	-0-
	1980	128.5	-0-	-0-	128.5	343.1	471.6	27	73
	1981	364.1	-0-	-0-	364.1	128.2	492.3	74	26
Sericulture Settlements	1979	-0-	107.1	-0-	107.1	69.9	177.0	61	39
	1980	-0-	43.5	-0-	43.5	163.9	207.4	21	79
	1981	-0-	74.4	-0-	74.4	64.7	139.1	53	47
Transfer of Technology/Mgmt. Skills	1979	206.7	-0-	28.8	235.5	-0-	235.5	100	-0-
	1980	188.9	-0-	31.7	220.7	-0-	220.7	100	-0-
	1981	245.7	21.7	55.8	323.1	39.6	362.7	89	11
Agricultural Extension Outreach	1979	29.7	-0-	-0-	29.7	-0-	29.7	100	-0-
	1980	251.3	-0-	-0-	251.3	150.6	401.9	63	37
	1981	203.2	-0-	-0-	203.2	597.4	800.6	25	75
Operation Program Grant	1979	68.5	123.6	-0-	192.2	-0-	192.2	100	-0-
	1980	325.5	67.8	-0-	393.3	-0-	393.3	100	-0-
	1981	210.8	77.3	-0-	288.1	-0-	288.1	100	-0-
Special Training for National Develop.	1979	94.9	-0-	-0-	94.9	-0-	94.9	100	-0-
	1980	6.9	-0-	-0-	6.9	-0-	6.9	100	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Earth Resources Technology Satellite	1979	8.0	-0-	-0-	8.0	-0-	8.0	100	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Agricultural Economics	1979	184.5	-0-	-0-	184.5	-0-	184.5	100	-0-
	1980	31.2	-0-	-0-	31.2	-0-	31.2	100	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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		Private				Public	Project	Percent	
Sector/Project	Year	U.S.	Host-country	Third-country	Total	total	total	Private	Public
		(000 omitted)							
Agricultural Research	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	1.6	-0-	-0-	1.6	0-	1.6	100	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fish Pond Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	187.1	-0-	187.1	-0-	187.1	100	-0-
	1981	-0-	59.7	-0-	59.7	-0-	59.7	100	-0-
Renewable Non-conventional Energy	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	12.2	-0-	-0-	12.2	-0-	12.2	100	-0-
	1981	441.7	-0-	-0-	441.7	0.4	442.1	100	*
Rural Off-farm Employment	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	4.0	132.5	-0-	136.5	21.7	158.2	86	14
	1981	19.6	126.7	21.2	167.5	56.0	223.5	75	25
Lam Nam Oon	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	249.2	-0-	-0-	249.2	274.2	523.4	48	52
	1981	153.1	-0-	-0-	153.1	108.5	261.6	58	42
Mae Chae Watershed Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	28.0	30.0	58.0	23.1	81.0	72	28
PVO Co-finance	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	0.2	7.0	-0-	7.2	-0-	7.2	100	-0-
	1981	-0-	185.0	-0-	185.0	-0-	185.0	100	-0-
Agricultural Planning	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	23.3	-0-	-0-	23.3	-0-	23.3	100	-0-
ASEAN Agriculture Develop. Planning Center	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	10.7	86.4	-0-	97.2	-0-	97.2	100	-0-
Population									
Population Planning	1979	272.1	195.2	-0-	467.3	1,253.2	1,720.5	27	73
	1980	78.6	32.6	-0-	111.2	774.4	885.6	13	87
	1981	5.7	7.0	-0-	12.7	987.0	999.8	*	100

* less than one percent.

Sector/Project	Year	Private U.S.	Private Host-country	Private Third-country	Private Total	Public total	Project total	Percent Private	Percent Public
		(000 omitted)							
Health									
Rural Primary Health Care	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ 800.0	$ 800.0	-0-	100
	1980	48.0	-0-	-0-	48.0	-0-	48.0	100	-0-
	1981	129.9	-0-	**	130.0	876.1	1,006.1	13	87
Operation Program Grant	1979	-0-	48.1	-0-	48.1	-0-	48.1	100	-0-
	1980	-0-	104.4	-0-	104.4	-0-	104.4	100	-0-
	1981	-0-	209.2	-0-	209.2	-0-	209.2	100	-0-
Transfer of Technology/Mgmt. Skills	1979	271.3	-0-	17.9	289.2	-0-	289.2	100	-0-
	1980	210.5	-0-	3.0	213.5	-0-	213.5	100	-0-
	1981	81.2	-0-	15.8	97.0	-0-	97.0	100	-0-
Malaria and Vector Control	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	72.6	1.5	-0-	74.2	55.9	130.1	57	43
	1981	239.0	1,106.4	1.5	1,346.9	137.3	1,484.1	91	9
Lampang Deids	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	313.9	-0-	-0-	313.9	-0-	313.9	100	-0-
	1981	86.1	-0-	-0-	86.1	-0-	86.1	100	-0-
Education and Human Resources Development									
Transfer of Technology/Management Skills	1979	153.5	-0-	45.9	199.4	-0-	199.4	100	-0-
	1980	250.8	2.3	13.6	266.7	-0-	266.7	100	*
	1981	299.3	-0-	3.8	303.1	1.0	304.1	100	*
Regional Scholarship	1979	-0-	110.5	12.5	123.0	44.9	167.9	73	27
	1980	-0-	38.7	-0-	38.7	211.1	249.8	15	85
	1981	-0-	-0-	26.2	26.2	-0-	26.2	100	-0-
Operation Program Grant	1979	-0-	80.5	-0-	80.5	-0-	80.5	100	-0-
	1980	57.2	128.0	-0-	185.3	-0-	185.3	100	-0-
	1981	82.6	111.8	-0-	194.4	-0-	194.4	100	-0-

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Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		- - - - - - - -	- - - - - - - -(000	omitted)- - - - - -	- - -	- - - -	- - - -		
Women's Development Program	1979	$ 2.4	$ -0-	$ -0-	$ 2.4	$ -0-	$ 2.4	100	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Regional Educ. Development	1979	40.3	94.6	359.2	494.1	6.7	500.7	99	1
	1980	12.0	33.7	313.9	359.6	1.6	361.3	100	*
	1981	15.9	-0-	-0-	15.9	-0-	15.9	100	-0-
Asian Institute of Technology	1979	10.0	-0-	-0-	10.0	-0-	10.0	100	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Program Development/ Support	1979	-0-	-0-	47.9	47.9	-0-	47.9	100	-0-
	1980	-0-	125.0	15.2	140.2	-0-	140.2	100	-0-
	1981	-0-	100.0	42.1	142.1	-0-	142.1	100	-0-
PVO Co-finance	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	**	-0-	**	-0-	**	100	-0-
	1981	26.9	77.7	-0-	104.6	-0-	104.6	100	-0-
Hill Area Educ.	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	11.0	11.0	-0-	22.1	6.9	29.0	76	24
	1981	20.7	89.5	-0-	110.2	44.9	155.0	71	29
Non-formal Vocational Education	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	8.4	115.5	-0-	123.8	0.5	124.3	100	*
ESF									
Refugees (ESF)	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	1/	1/	1/	1/	976.2	976.2	1/	1/
	1981	1/	1/	1/	1/	1,024.0	1,024.0	1/	1/

1/According to the USAID mission, Thailand, disbursements are made to the RTG; AID records only show this initial disbursement but substantial procurement from the private sector occurs under this project.

* less than one percent.

** less than $100.

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		-(000 omitted)-							
Other									
Program Development Support	1979	$ 187.6	$ 10.9	$ -0-	$ 198.5	$ -0-	$ 198.5	100	-0-
	1980	107.4	137.0	-0-	244.4	-0-	244.4	100	-0-
	1981	393.9	216.2	3.5	613.6	-0-	613.6	100	-0-
Program Development Support	1979	51.9	5.9	-0-	57.8	-0-	57.8	100	-0-
	1980	92.5	10.8	-0-	103.3	-0-	103.3	100	-0-
	1981	24.3	16.8	-0-	41.1	-0-	41.1	100	-0-
Operation Program Grant	1979	18.6	113.1	-0-	131.7	-0-	131.7	100	-0-
	1980	-0-	208.6	-0-	208.6	-0-	208.6	100	-0-
	1981	-0-	74.9	-0-	74.9	-0-	74.9	100	-0-
Asian Remote Sensing Training Center	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	10.0	-0-	10.0	-0-	10.0	100	-0-
	1981	-0-	26.3	-0-	26.3	-0-	26.3	100	-0-
Asian Remote Sensing Training Center	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	11.8	-0-	-0-	11.8	1.2	13.0	91	9

Note: Totaled figures and percentages may vary due to rounding.
Source: Table compiled from Mission-provided data.

for the RTG although the end-beneficiaries are small farmers and the rural poor. There has been heavy emphasis on implementation through the U.S. and Thai private sectors as shown by the expenditures in table 4.

Projects directed toward the private sector include "Seed Development" and "Sericulture Settlement." The Seed Development project objectives are to improve low-income farmer productivity through the use of improved yet affordable seeds produced under contract by farmer seed growers. Eight U.S. companies are providing commodities for the project and Mississippi State University is providing technical assistance. Project expenditures to the U.S. private sector for fiscal years 1979, 1980 and 1981 were 100, 27 and 74 percent, or $1.0 million, $128,000 and $364,000, respectively.

The Sericulture Settlement project is assisting 1,500 families in Northeast Thailand to improve silk production quality. The project is being implemented through the RTG's Bank for Agriculture and Agricultural Cooperatives which is extending credit to small farmers and providing training for silk worm rearing and for planting mulberry plantations. The fiscal years 1979, 1980 and 1981 expenditures to the Thai private sector were 61 percent ($107,100), 21 percent ($43,500) and 54 percent ($74,400), respectively.

Below are some examples of projects directed toward the RTG but implemented through the U.S. and/or Thai private sectors.

--An American consultant is providing technical assistance and RTG officials are being trained to assist small farmers in water management and cropping practices under the "Lam Nam Oon" project which is designed to improve agriculture production through irrigation.

--The University of Connecticut and various U.S. contractors and consultants are providing advisory and training services under the "Transfer of Technology and Management Skills" project to improve RTG capabilities in policy development; problem analysis; and program planning, implementation and evaluation.

--Thai contractors and the RTG are implementing the "Village Fish Pond" project to help poor villagers with water supplies and fish farming.

--American, Thai and third-country private consultants as well as Kasetsart University in Thailand are implementing the "Rural Off-Farm Employment" project to identify small industry problems, among others, for the RTG's use in its fifth development plan.

Education and Human Resources Development

Although the Education and Human Resources Development sector has some of the smallest programmed funding, there were ten projects in the sector during fiscal years 1977-81. These projects were directed toward the RTG or Asian regional entities for the most part, but there were considerable AID expenditures to the U.S. and Thai private sectors as shown in table 4. Below are examples of AID's focus in the sector.

--The "Transfer of Technology and Management Skills" project, which is also underway in the Agriculture/Rural Development/Nutrition and Health sectors, is directed toward providing training and advisory services to the RTG. U.S. consultants and contractors are providing technical services, the University of Connecticut is conducting training, and RTG participants are receiving training in the United States, Thailand and third countries.

--An American consultant provided technical assistance and 11 private Thai companies were project-commodity suppliers for the "Non-Formal Vocational Education" project which was directed toward low-income farm families.

--U.S. and Thai consultants developed and tested an educational model for the rural poor in the northern hill area of Thailand under the "Hill Area Education" project; 18 Thai companies provided commodities for this project.

AID has made extensive use of PVOs and educational institutions in this sector. Two projects involved PVOs in providing various technical assistance to ongoing development projects; two involved technical assistance to educational interchange and scholarships in Asia; one involved the Asia Foundation in providing skill-vocational training to rural youth; and one involved Colorado State University providing technical assistance to the Asian Institute of Technology, in Thailand, to improve research and graduate level education in engineering and related sciences.

Health and Population

Projects under these sectors are directed specifically toward the RTG (or the RTG and other Asian governments under regional programs), but by their nature the actual beneficiaries are the Thai people. There were four projects and a program grant in the health area for which AID expenditures varied as shown in table 4. The one population project had heavy public sector expenditures--$1.3 million, or 73 percent of total expenditures in fiscal year 1979, $774,000, or 87 percent in 1980, $987,000, or almost 100 percent in 1981. The projects are discussed below.

--Ten American consultants or contractors are providing technical assistance; one U.S. contractor is providing insurance services; and participant training in the United States and a third country is being offered under the "Transfer of Technology and Management Skills" project. (This project is discussed under the previous sectors.)

--AID is working to expand and improve rural health delivery systems through paramedical training for hospitals, midwife centers and village health volunteers under the "Rural Primary Health Care" project. A U.S. consultant is providing technical assistance and project research and evaluation, and two American companies are supplying project commodities.

--U.S. and Thai consultants and Chiengmai University are providing technical assistance to the RTG under the "Malaria and Vector Control" project which is directed toward improving the Government's institutional capacity to control malaria. The project includes participant training in the United States and Thailand, and two American and seven Thai companies are providing commodities.

--The University of Hawaii is providing technical assistance on the "Lampang Deids" project, a health-services delivery-demonstration project, and two Thai-based PVOs are providing health assistance for a local level project; one is supporting a hospital and the other is assisting Amerasian children.

--AID's population project is assisting the RTG in its various family planning activities; 16 U.S. companies are providing commodities for the project and one U.S. contractor is providing audit activities.

Other projects

AID has some projects which either cross the various sectors in program emphasis or are special projects in and of themselves such as refugee support assistance using Economic Support Funds. As shown in table 4, expenditures for these projects are concentrated in the private sector.

Under a "Program Development and Support" project, one U.S. and four Thai consultants are providing technical assistance to train RTG staff for the Seed and Sericulture projects discussed under Agriculture/Rural Development/Nutrition. AID is also offering participant training in the United States.

The Asian Institute of Technology is providing technical assistance to technicians of the Economic and Social Council for Asia and the Pacific in the use of remote sensing equipment for development planning. Under an "Operation Program Grant" AID is providing funds to an American contractor to train Thai PVOs, and to two Thai PVOs for training activities.

The "Relief and Reconstruction" project, using Economic Support Funds, is directed toward Cambodian, Laotian and Vietnamese refugees in Thailand. While AID records only show payments to the RTG, the Mission said that much of this funding is spent in the private sector for goods and services.

DOMINICAN REPUBLIC

Table 5 shows the AID Mission's payments to the U.S. and Dominican private sectors for implementing projects and procuring commodities. In 1979, payments to the private sector totaled $2.0 million (14 percent) and $12.5 million (86 percent) to the public sector; in 1980, $2.3 million (12 percent) and $17.3 million (88 percent); and in 1981, $3.3 million (26 percent) and $9.4 million (74 percent). Figures for the public sector include approximately $16.4 million in loans to the Agriculture Bank, an autonomous institution of the Government of the Dominican Republic. These funds were reported as public by the Mission but they were used to provide credit to small private farmers.

The Mission also reported the following private sector payments for operating expenses. No public sector expenditures were provided by the Mission.

	Fiscal years		
	1979	1980	1981
U.S. private sector	$415,294	$446,262	$2,617,196
Dominican Republic private sector	105,393	527,294	820,856
Third-country private sector	-0-	-0-	-0-
Total	$520,687	$973,556	$3,438,052

The Mission reported on 28 projects, one of which fell within both the Agriculture and Selected Development sectors. We identified the projects as

--10 directed toward the Dominican private sector,
--12 directed toward the Dominican Government, and
-- 6 "others."1/

1/Two unidentified and four program development and support projects.

Table 5
USAID/DOMINICAN REPUBLIC PROJECT PAYMENTS TO PRIVATE AND PUBLIC SECTORS IN FISCAL YEARS 1979-81

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		(000 omitted)							
Agriculture/Rural Development/Nutrition									
Agriculture Sector Loan I	1979	$398.2	$ -0-	$ 38.4	$436.6	$ 293.5	$ 730.1	60	40
	1980	-0-	-0-	3.4	3.4	-0-	3.4	100	-0-
	1981	-0-	-0-	-0-	-0-	0.3	0.3	-0-	100
Agriculture Sector Loan II 1/	1979	204.8	-0-	159.2	364.0	10,533.5	10,897.5	3	97
	1980	287.2	-0-	118.0	405.1	6,240.6	6,645.8	6	94
	1981	88.1	-0-	8.3	96.4	717.9	814.3	12	88
African Swine Fever Eradication	1979	255.9	-0-	-0-	255.9	1,073.9	1,329.8	19	81
	1980	370.9	1.8	-0-	372.8	1,368.7	1,741.6	21	79
	1981	239.7	4.6	-0-	244.3	2,277.6	2,521.9	10	90
Rural Roads Maintenance and Rehabilitation	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	733.7	733.7	-0-	100
	1981	271.5	-0-	-0-	271.5	1,399.0	1,670.5	16	84
Agriculture Sector Development Grant	1979	8.8	2.5	.3	11.6	199.9	211.5	5	95
	1980	-0-	**	-0-	**	37.4	37.4	-0-	100
	1981	-0-	-0-	-0-	-0-	10.0	10.0	-0-	100
Agriculture Sector Analysis Project Phase II Grant	1979	-0-	-0-	-0-	-0-	1.4	1.4	-0-	100
	1980	.4	-0-	-0-	.4	97.6	98.4	*	100
	1981	1.2	.7	-0-	2.0	85.4	87.4	2	98
Inland Fisheries	1979	27.2	-0-	-0-	27.2	-0-	27.2	100	-0-
	1980	55.0	-0-	-0-	55.0	-0-	55.0	100	-0-
	1981	37.6	-0-	-0-	37.6	-0-	37.6	100	-0-
Dominican Development Foundation Grant	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	8.9	-0-	-0-	8.9	-0-	8.9	100	-0-
	1981	-0-	1.6	-0-	1.6	-0-	1.6	100	-0-

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Sector/Project	Year	Private U.S.	 Host-country	 Third-country	 Total	Public total	Project total	Percent Private	 Public
		(000 omitted)							
Agricultural Marketing Credit	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	0	-0-
	1980	124.5	-0-	-0-	124.5	-0-	124.5	100	-0-
	1981	129.5	-0-	-0-	129.5	-0-	129.5	100	-0-
Training of Rural Managers	1979	-0-	72.3	-0-	72.3	-0-	72.3	100	-0-
	1980	-0-	66.9	-0-	66.9	-0-	66.9	100	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Program Development and Support	1979	19.9	32.9	.1	52.9	6.0	59.0	90	10
	1980	2.9	7.4	-0-	10.3	30.4	40.6	25	75
	1981	89.8	7.1	-0-	96.9	16.0	112.9	86	14
Small Farmer Hurricane Reconstruction 1/	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	100
	1980	-0-	-0-	-0-	-0-	6,901.3	6,901.3	-0-	100
	1981	-0-	-0-	-0-	-0-	3,679.7	3,679.7	-0-	100
Health									
Health Sector Loan I	1979	448.3	-0-	-0-	448.3	305.1	753.3	60	40
	1980	91.2	-0-	238.9	330.1	1,278.0	1,608.2	21	79
	1981	139.5	-0-	-0-	139.5	685.9	825.4	17	83
Health Sector Loan II	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0
	1980	-0-	567.8	-0-	567.8	248.3	816.2	70	30
	1981	107.3	501.3	26.1	634.7	217.9	852.6	74	26
Health/Nutrition Sector Development	1979	40.4	.4	.2	41.0	64.1	105.0	39	61
	1980	.9	.6	-0-	1.5	31.4	32.9	5	95
	1981	-0-	-0-	-0-	-0-	**	**	-0-	100
Program Development and Support	1979	.6	2.9	-0-	3.4	.4	3.8	89	11
	1980	13.7	.6	-0-	14.3	15.0	29.3	49	51
	1981	6.3	3.2	-0-	9.5	42.0	51.4	18	82

1/ Disbursements made under these projects include those to the Agricultural Bank, an autonomous government institution; credits were for use by farmers.

* less than one percent.

** less than $100.

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		Private				Public	Project	Percent	
Sector/Project	Year	U.S.	Host-country	Third-country	Total	total	total	Private	Public
		(000 omitted)							
Education and Human Resources Development									
Education Sector Loan	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	17.8	-0-	-0-	17.8	401.3	419.0	4	96
	1981	174.0	115.6	-0-	289.7	121.0	410.7	71	29
Nonformal Home Study Secondary Education	1979	38.0	29.7	1.2	68.8	1.8	70.6	97	3
	1980	23.4	11.1	-0-	34.5	3.6	38.2	90	10
	1981	-0-	10.0	-0-	10.0	-0-	10.0	100	-0-
Rural Radio Education	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	77.0	4.5	-0-	81.5	-0-	81.5	100	-0-
	1981	-0-	92.4	-0-	92.4	-0-	92.4	100	-0-
Women's Training and Advisory Services	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	56.4	-0-	56.4	-0-	56.4	100	-0-
Training for Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	1.8	-0-	2.1	3.9	20.4	24.3	16	84
Program Development and Support	1979	.8	12.2	-0-	13.0	-0-	13.0	100	-0-
	1980	1.1	2.7	-0-	3.8	-0-	3.8	100	-0-
	1981	.6	6.8	-0-	7.4	-0-	7.4	100	-0-
Selected Development									
Special Development Activities Fund	1979	-0-	29.0	-0-	29.0	-0-	29.0	100	-0-
	1980	-0-	48.3	-0-	48.3	-0-	48.3	100	-0-
	1981	-0-	64.7	-0-	64.7	-0-	64.7	100	-0-
National Employment Policy	1979	33.6	5.1	-0-	38.7	38.0	76.7	50	50
	1980	7.6	2.6	-0-	10.3	12.5	22.8	45	55
	1981	-0-	32.5	-0-	32.5	-0-	32.5 1/	100	-0-

BEST DOCUMENT AVAILABLE

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		(000 omitted)							
Rural Road Maintenance and Rehabilitation	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	979.8	-0-	979.8	-0-	979.8	100	-0-
Energy Policy Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	52.2	18.8	-0-	71.0	41.1	112.1	63	37
Small Business Promotion	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	31.8	-0-	31.8	-0-	31.8	100	-0-
Community Development Foundation	1979	-0-	96.1	-0-	96.1	-0-	96.1	100	-0-
	1980	-0-	47.4	-0-	47.4	-0-	47.4	100	-0-
	1981	-0-	-0	-0-	-0-	-0-	-0-	-0-	-0-
Program Development and Support	1979	2.3	-0-	-0-	2.3	5.1	7.5	31	69
	1980	1.0	27.9	-0-	28.9	4.4	33.3	87	13
	1981	67.9	70.0	-0-	137.9	8.4	146.2	94	6

1/Mission total was incorrect; this is a GAO total.
Note: Totaled figures and percentages may vary due to rounding.
Source: Table compiled from Mission-provided data.

We categorized project implementation as

- --6 implemented by the U.S. private sector,
- --8 implemented by the Dominican private sector,
- --5 implemented by the U.S. and Dominican private sectors,
- --1 implemented by the Dominican Government,
- --4 implemented by the U.S., Dominican, and third-country private sectors,
- --2 implemented by the U.S. and third-country private sectors,
- --1 implemented by the Dominican and third-country private sectors, and
- --1 implemented by third-country private sectors.

The following sections briefly describe private sector involvement in AID's Dominican program.

Agriculture/Rural Development/ Nutrition

The Mission reported on 12 projects in the Agriculture/Rural Development/Nutrition sector including six which were directed toward the public sector and four directed toward the private sector. Projects involved strengthening the institutional capabilities of Government ministries to perform tasks essential to the country's development, such as building infrastructure and developing planning ability. Two of the projects entailed direct aid to the Government to enable it to respond to the national emergencies of the African swine fever epidemic and devastation wrought by hurricanes David and Frederick.

The U.S. private sector was the principal implementor of AID's agriculture program, receiving approximately $2.5 million during fiscal years 1979-81. Dominican and third-country firms received $150,400 and $328,000, respectively. The public sector also played a significant role in agriculture projects as shown in table 5.

Three of the projects directed toward the Dominican private sector are described below.

--In September 1979, AID approved a $268,000 grant to the "Dominican Development Foundation" to enable it to improve its organizational policies and procedures and help it evaluate its credit activities. The Foundation is a private non-profit community development organization assisting the rural poor to form associations for economic and social development. The Foundation participated in the implementation of AID's first agriculture loan to the Dominican Republic.

--In 1977 the Dominican Development Foundation received an AID grant for the "Training of Rural Managers" project. The grant will improve the Foundation's institutional capacity as well as assist various rural groups. Training will include bookkeeping, marketing, credit, organization, and management. An AID official said that a 1979 project evaluation report shows that during the implementation of the project, a total of 1,620 small farmers divided into 81 groups throughout the country, have received the management courses given by 35 Foundation promoters.

--The American Institute for Free Labor Development, an American PVO, is implementing an "Agricultural Marketing/Credit Administration" project, approved in 1979, to develop the administrative and operational capacity of the Federacion Nacional Agraria Campesina, (national agrarian federation), a Dominican PVO. The project will enable the Federation to provide a variety of essential agricultural services to small farmers and members of the Federation. The project's components include (1) streamlining the existing production credit delivery system; (2) developing an independent, self-sustaining marketing system; and (3) expanding the Federation's present technical assistance programs.

Projects which are directed toward the Government but which involve the U.S. private sector in implementation are described briefly below.

--In September 1979, AID approved a $15 million "Rural Road Maintenance and Rehabilitation" project to develop the institutional capacity of the Department of Rural Roads to maintain and rehabilitate national, regional and local roads. A U.S. private firm, Louis Berger, International, provided technical assistance for project implementation. Project activities have included the reorganization of the Department, a draft manual for rural road maintenance, and revision of the accounting system.

--In December 1978, the Government of the Dominican Republic received a loan and grant for the "African Swine Fever Eradication" project to eradicate the disease, decontaminate infected premises, and compensate farmers for losses. U.S. private sector firms were the principal implementors during fiscal years 1979-81. Some of the firms were Global Swine Exchange of Iowa; Agricultural World Exports; American Scientific Products, International; Shenandoah Manufacturing Company, Inc.; and Dynatech Laboratories, Inc.

Selected Development

More than $1.5 million was spent on six selected development projects during fiscal years 1979-81. The projects cover a number of functions, from community and small business development to employment and energy policy. The Dominican private sector received the largest share of project funds during 1979-81, or $1,356,100 compared with $93,400 for the U.S. private sector and $91,600 for the Dominican public sector. Third-country private sector firms did not receive funds during this period. Three projects are directed toward the Dominican private sector and two are strengthening government institutional capabilities.

Two of the private sector-oriented projects provided funds directly to indigenous Dominican private, non-profit organizations to enable them to expand and improve their services. The third project, AID's recurring "Special Development Activities Fund," assists a wide variety of community self-help activities. The three projects are briefly discussed below.

--During fiscal years 1979-80, AID provided a $144,000 grant to the "Community Development Foundation" project to enable the Foundation to extend the services of its integrated development project district-wide. Prior to AID's grant, the Foundation's outreach was limited to one-third of the target district.

--AID provided a $100,000 grant in 1981 to the Dominican Republic Development Foundation for a "Small Business Promotion" project. A department will be established in the Foundation to provide resources and technical assistance to small businesses. It is estimated that as a result of this grant, 550 loans will be extended to micro-industries and small groups.

--AID disbursed $142,000 during fiscal years 1979-81 to the Dominican private sector for "Special Development Activities." The funds assisted small self-help development projects of non-profit community groups when local funds were insufficient. In fiscal year 1979, the program funded 13 community centers, 4 schools and 2 cooperative, income-producing projects.

Education and Human Resources Development

AID disbursed $332,000 to the U.S. private sector, $319,700 to the Dominican private sector, and $3,300 to third-country entities during fiscal years 1979-81 in the Education and Human Resources Development sector. American and Dominican educational institutions were active in several projects as were indigenous and U.S. equipment suppliers. Three projects are directed toward the private sector.

--Radio Santa Maria, a privately operated Dominican educational radio station, received a $200,000 grant to expand and improve its program of rural non-formal education under the "Rural Radio Education" project. The Mission reported that the University of New Mexico received project funds to train a radio station staff member and Continental Electronic (U.S.) received funds for equipment. The project was approved in 1979.

--Accion Pro-Educacion y Culture (Action for Educational and Cultural Progress), a Dominican non-profit organization, implemented the "Women's Training and Advisory Services" project which will establish a private institution to coordinate the resources of the Government, local training institutions, and the business and industrial sectors to improve employment opportunities for low-income women. The institution will plan and administer training programs for this target group.

--An AID grant is assisting the Instituto de Dominican Educacion Integral (Dominican Institute of Integral Education), a private Dominican organization, to strengthen its administrative and teaching capabilties to provide quality education to low-income Dominicans. Under this "Non-Formal Home Study Secondary Education" project, the University of New Mexico, a Dominican educational institution, and a third-country bank were among the private organizations assisting the Institute in project implementation. Approximately $113,000 during 1979-81 was disbursed to the private sector.

Health and Population

The Mission's four health projects are developing the institutional capabilities of the Secretariat of State for Public Health and Social Assistance. All three private sectors participated by providing equipment and/or technical assistance. Disbursements to the U.S., Dominican, and third-country private sectors for fiscal years 1979-81 were $492,637, $913,770, and $783,681, respectively. The Mission does not have a population planning program in the Dominican Republic, but reported that Dominican public and private institutions supported largely by other donors, have effective and expanding family planning programs.

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CAMEROON

As shown in table 6 covering payments for fiscal years 1979-81, AID's use of the private sector as a percent of total project disbursements remained fairly constant in Cameroon during these years. In fiscal year 1979 payments totaled $1.6 million (84 percent) to the private sector and $319,000 (16 percent) to the public sector; in 1980, $4.5 million (85 percent) and $789,000 (15 percent); and in 1981, $8 million (89 percent) and $1 million (11 percent).

The AID Mission in Cameroon reported specific implementation activities by organizations that provided technical assistance; these were primarily U.S.-based. The Mission advised us that entities for other components of funding inputs (i.e., training, commodities, construction and other costs) were too numerous to list. However, it stated that disbursements for training are made primarily for U.S. academic study and disbursements for construction and other costs are made primarily to the host-country private sector.

The Mission also reported the following private and public sector payments for operating expenses.

	Fiscal years		
	1979	1980	1981
U.S. private sector	$ 105,000	$ 228,000	$ 259,000
Cameroon private sector	977,000	1,251,000	1,207,000
Third-country private sector	-0-	-0-	-0-
Public sector	366,000	296,000	223,000
Total	$1,448,000	$1,775,000	$1,689,000

The Mission reported on 25 projects in Cameroon.1/ We identified the projects as

--4 directed toward the Cameroon private sector;
--18 directed toward the Government of Cameroon (including 3 directed toward public sector) and regional development organizations);
--2 directed toward both the Cameroon private sector and Government of Cameroon; and
--1 "other."2/

1/An additional project, "Credit Union Development," had no disbursements.

2/Program development and support project.

Table 6
USAID/CAMEROON PROJECT PAYMENTS TO PRIVATE AND PUBLIC SECTORS IN FISCAL YEARS 1979-81

Sector/Project	Year	Private U.S.	Private Host-country	Private Third-country	Private Total	Public total	Project total	Percent Private	Percent Public
		(000 omitted)							
Agriculture Rural Development/Nutrition									
North Cameroon Seed Multiplication	1979	$ 61	$118	$-0-	$ 179	$ 15	$ 194	92	8
	1980	129	13	-0-	142	39	181	78	22
	1981	91	9	-0-	100	18	118	85	15
Centers for Training Young Farm Families	1979	-0-	-0-	309	309	-0-	309	100	-0-
	1980	-0-	-0-	28	28	-0-	28	100	-0-
	1981	-0-	-0-	19	19	-0-	19	100	-0-
North Cameroon Livestock and Agricultural Development	1979	124	-0-	-0-	124	37	161	77	23
	1980	721	199	-0-	920	241	1,161	79	21
	1981	797	407	-0-	1,204	-0-	1,204	100	-0-
Agriculture Management and Planning	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	157	-0-	-0-	157	104	261	60	40
	1981	220	88	5	313	373	686	46	54
North Cameroon Pilot Community Development	1979	132	-0-	-0-	132	-0-	132	100	-0-
	1980	186	-0-	-0-	186	-0-	186	100	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Mandara Mountains Water Resources	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	132	13	-0-	145	17	162	90	10
	1981	523	59	-0-	582	17	599	97	3
National Cereals Research and Extension	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	211	28	-0-	239	28	267	89	11
	1981	240	47	-0-	287	68	355	81	19

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Sector/Project	Year	Private				Public	Project	Percent	
		U.S.	Host-country	Third-country	Total	total	total	Private	Public
		(000 omitted)							
Small Farmer Livestock and Poultry Development	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	84	-0-	-0-	84	-0-	84	100	-0-
National Planning for Community Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	15	5	-0-	20	7	27	74	26
	1981	198	51	-0-	249	-0-	249	100	-0-
Small Farmer Fish Production	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	24	31	-0-	55	65	120	46	54
National Food Crop Protection	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	26	34	-0-	60	166	226	27	73
	1981	85	16	4	105	70	175	60	40
Nutrition Advisory Services	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	30	1	15	46	-0-	46	100	-0-
	1981	53	23	-0-	76	5	81	94	6
Credit Union Development	(Project activities begun, but no disbursement made.)								
LCBC Livestock and Mixed Agricultural Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	2	-0-	-0-	2	-0-	2	100	-0-
	1981	35	44	-0-	79	-0-	79	100	-0-
Sahel Food Crop Protection	1979	93	243	-0-	336	182	518	65	35
	1980	19	10	-0-	29	10	39	74	26
	1981	12	31	3	46	9	55	84	16
Regional Food Crop Protection	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	12	-0-	-0-	12	7	19	63	37
	1981	26	12	-0-	38	43	81	47	53

Sector/Project	Year	Private U.S.	Private Host-country	Private Third-country	Private Total	Public total	Project total	Percent Private	Percent Public
		(000 omitted)							
Urban Functions in Rural Development	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0
	1980	30	-0-	-0-	30	-0-	30	100	-0-
	1981	156	32	-0-	188	-0-	188	100	-0-
Health									
Practical Training for Health Education	1979	227	-0-	17	244	53	297	82	18
	1980	248	-0-	58	306	167	473	65	35
	1981	358	-0-	85	443	271	714	62	38
Margui-Wandala Water Supply	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	813	-0-	-0-	813	-0-	813	100	-0-
North Cameroon Rural Health Services	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	197	-0-	-0-	197	-0-	197	100	-0-
Education and Human Resources Development									
Social Science Research and Training	1979	-0-	-0-	-0-	-0-	31	31	-0-	100
	1980	67	27	3	97	-0-	97	100	-0-
	1981	229	24	-0-	253	63	316	80	20
African Manpower Development Program	1979	148	-0-	-0-	148	-0-	148	100	-0-
	1980	393	-0-	-0-	393	-0-	393	100	-0-
	1981	222	-0-	-0-	222	-0-	222	100	-0-
Selected Development									
Cameroon Low Income Housing	1979	150	-0-	-0-	150	1	151	99	1
	1980	179	-0-	-0-	179	3	182	98	2
	1981	83	-0-	-0-	83	5	88	94	6

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Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		(000 omitted)							
Transcameroon Railroad, Phase III	1979	$ NA	$ -0-	$ -0-	$ NA 1/	$ -0-	$ NA 1/	NA 1/	-0-
	1980	1,403	-0-	-0-	1,403	-0-	1,403	100	-0-
	1981	1,380	-0-	-0-	1,380	-0-	1,380	100	-0-
Training for Small Business	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	239	-0-	-0-	239	-0-	239	100	-0-
Other									
Program Development and Support	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	90	46	-0-	136	-0-	136	100	-0-
	1981	842	64	-0-	906	-0-	906	100	-0-

1/Not available.

Note: Totaled figures and percentages may vary due to rounding.

Source: Table compiled from Mission-provided data.

We categorized project implementation as

--14 implemented by the U.S. private sector,
--2 implemented by Cameroon and U.S. private sectors,
--1 implemented by third-country private sectors,
--3 implemented by the U.S. and third-country private sectors,
--3 implemented by the U.S. public and private sectors,
--1 implemented by the U.S. public sector, and
--1 "other." 1/

The Mission did not cite how the Government of Cameroon was involved in specific projects. However, host-country governments are generally involved in some aspects of project implementation.

The following sections describe private sector involvement in the AID program.

Agriculture/Rural Development/ Nutrition

The projects in this sector reflect AID's strategy for Cameroon in that they are concentrated in Northern Cameroon and directed at solving the development problems of the rural sector.

Two of the Mission's 16 agriculture sector projects provide training and technical assistance directly to various private Cameroon groups. Many of the remaining projects focus primarily on strengthening the capabilities of the Government or regional development organizations. Two of them, as part of the larger effort to assist the Government, involve some direct support to the private sector.

For fiscal years 1979-81, the U.S. private sector was involved in all but one of this sector's projects, which was implemented solely by a third-country PVO. U.S. private concerns received an average of 56 percent of all project funds for these years, compared with 20 percent for the Cameroon private sector and 5 percent for third-country private entities. (The remainder of funds were for the public sector.) U.S. universities, private consultants, consulting firms, and PVOs were among those providing assistance in agriculture projects. For example, the International Union for Child Welfare, an international PVO, is implementing the "Centers for Training Young Farm Families" project which was directed toward the Cameroon private sector. Training and extension centers in Northern Cameroon are being established for farm families to learn improved production techniques for dissemination to their neighbors. This is the only project which reflects no U.S. involvement.

1/Implementing entity was not reported.

The projects directed toward the Government provide training and technical assistance to strengthen and develop Government institutional capabilities and facilitate increased crop production. Below are examples of projects which are directed toward the Cameroon Government and which involve U.S., host-country and third-country private sectors.

--A "nutrition economist" from Tulane University and a third-country consultant are providing technical assistance for a "Nutrition Advisory Services" project. Under this project, an inter-ministerial board is being established to formulate a national strategy to improve nutrition throughout the country.

--Heifer Project, International, an American PVO, is assisting the Government of Cameroon to develop a system through which low-income farmers can benefit from improved breeds of livestock and poultry in the "Small Farmer Livestock and Poultry Development" project. Short courses were provided to approximately 400 farmers on breeding, dairy management, and marketing cooperatives.

Health

The three projects in the health sector address AID's objectives to train medical and social welfare personnel to extend coverage to the rural poor and to develop Cameroon's health infrastructure. The Mission reported that 80 percent of all funds disbursed under this sector went to private entities. Two of the three projects were directed toward the Cameroon Government. For one of these projects, two health education specialists from the United States and one from a third country, the University of North Carolina, and SECON (an American firm) provided technical assistance for "Practical Training in Health Education." The project is increasing the number of medical personnel by developing and implementing a nationally-coordinated health education system capable of responding to the needs of the rural population.

The one private sector-oriented project was aimed at strengthening a private health service and education program in North Cameroon. Catholic Relief Services, an American PVO, established village health committees and trained village health agents. A recent GAO report to the Administrator of AID reviewed this project among several others and states that, once the project ends, the two Catholic dioceses involved will be able to continue the training at a reduced level. 1/ The U.S. private sector received all project disbursements of $197,000.

1/"Changes Needed to Forge an Effective Relationship Between AID and Voluntary Agencies" (GAO/ID-82-25, May 27, 1982).

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Population

The Government of Cameroon has been reluctant to address family planning. AID has no population projects although the "Practical Training in Health Education" project includes some funding from the population account.

Education and Human Resources Development

Between 1979-81 two active projects in this sector focused on improving the Government's ability to conduct research and implement projects which relate to its development strategy. Project implementation was handled primarily by U.S. private organizations.

--Tufts University's Fletcher School of Law and Diplomacy is providing technical assistance for AID's "Social Science Research and Training" project which is providing support to the Government's Center for Economic and Social Sciences. The Center was created in 1974 and carries out research and disseminates socio-economic data for development programs. Staff and research assistants at the Center will receive training and two development seminars will be held under the project.

--Eighteen Cameroonians have received masters degrees in the United States, as part of the regionally-funded "African Manpower Development" project. The purpose of the project is to develop a corps of professionals with scientific and technical expertise in agriculture, health and education to strengthen the Government's ability to initiate, design, implement, and manage projects to develop the country's rural areas.

Selected Development

The Mission's three Selected Development projects encompass activities which fall outside the major sectors of agriculture/rural development/nutrition, health, and education and human resources development. All projects show considerable U.S. private sector activity; the Mission reported that the U.S. private sector received over 99 percent of the $3.4 million disbursed for the sector during fiscal years 1979-81. Two of the projects involve development of Cameroon's infrastructure--housing and transportation--and are directed toward the Government. For example, approximately $3 million was spent on U.S. commodities under the "Trans-Cameroon Railroad Phase III" project during 1979-81. The Mission reported that the entire $7.5 million loan has been disbursed to the U.S. private sector and that the Government of Cameroon purchased, in excess of loan requirements, $11 million worth of equipment and petroleum products from American firms. Phases I and II of the project began the rehabilitation and extension of the rail system. Phase III continues this and will also include construction of a freight depot, switchyard and two steel rail bridges.

The private sector-directed project in this sector is "Training for Small Business"; the Booker T. Washington Foundation has received a $500,000 grant to develop an action research program for the Division of Small and Medium Enterprises at the University Center for Business Administration at Douala. This program will support the development and expansion of small and medium enterprises.

Other projects

Three American institutions (Michigan State University, the University of Florida and the Academy for Educational Development) as well as Cameroon and U.S. private consultants are providing technical assistance under the "Program Development and Support" project which funds studies in preparation for program design, evaluation and sector analyses.

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KENYA

Table 7 shows AID Mission disbursements in Kenya for fiscal years 1979-81, during which AID primarily used the U.S. private sector and secondarily the Kenyan and third-country private sectors. Overall payments in fiscal year 1979 were $10.5 million (95 percent) to the private sectors and $599,800 (5 percent) to the public sector; in 1980, $10.2 million (91 percent) to the private sectors and $977,300 (9 percent) to the public sector; and in 1981, $19.8 million (97 percent) and $694,500 (3 percent).

The Mission also reported the following payments for operating expenses.

	Fiscal years		
	1979	1980	1981
U.S. private sector	$ 732,904	$ 493,931	$ 766,443
Kenya private sector	1,762,483	2,345,181	2,753,199
Third-country private sector	1,356	2,369	2,000
Public sector	91,201	140,032	166,253
Total	$2,587,944	$2,981,513	$3,687,895

The Mission reported on 29 projects in Kenya; disbursements were made for 27 during fiscal years 1979-81. The Mission also had a commodity import program during this period. We identified the 27 projects as

--8 directed toward the Kenyan private sector,
--13 directed toward the Government of Kenya,
--2 directed toward both the Kenyan private sector and the Government of Kenya, and
--4 "others." 1/

We categorized project implementation as

--18 implemented by the U.S. private sector,
--2 implemented by the Kenyan private sector,
--3 implemented by the Kenyan and U.S. private sectors,
--1 implemented by Kenyan, U.S. and third-country private sectors, and
--3 "others." 2/

1/Unidentified.
2/Implementing entities were not reported.

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Table 7

USAID/KENYA PROJECT PAYMENTS TO PRIVATE AND PUBLIC SECTORS IN FISCAL YEARS 1979-81

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
				(000 omitted)					
Agriculture/Rural Development/Nutrition									
Agriculture Credit	1979	$ 184.3	$ -0-	$ -0-	$ 184.3	$117.8	$ 302.1	61	39
	1980	39.2	-0-	-0-	39.2	-0-	39.2	100	-0-
	1981	1.2	-0-	-0-	.2	1.3	1.5	13	87
National Range and Ranch Development	1979	165.1	-0-	-0-	165.1	424.7	589.8	28	72
	1980	334.3	-0-	-0-	334.3	308.6	642.9	52	48
	1981	344.2	-0-	-0-	344.2	169.5	513.7	67	33
University of Nairobi Veterinary Faculty	1979	146.6	-0-	-0-	146.6	-0-	146.6	100	-0-
	1980	59.2	-0-	-0-	59.2	-0-	59.2	100	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Livestock Phase II Loan	1979	2,357.9	856.3	-0-	3,214.2	-0-	3,214.2	100	-0-
	1980	488.6	688.6	-0-	1,177.2	-0-	1,177.2	100	-0-
	1981	134.0	637.3	-0-	771.3	-0-	771.3	100	-0-
Rural Planning	1979	282.9	-0-	-0-	282.9	-0-	282.9	100	-0-
	1980	245.2	-0-	-0-	245.2	-0-	245.2	100	-0-
	1981	785.9	-0-	-0-	785.9	-0-	785.9	100	-0-
Marginal Semi-arid Lands	1979	106.5	-0-	-0-	106.5	57.3	163.8	65	35
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	-0-	-0-	-0-	66.5	66.5	-0-	100
Rural Roads System	1979	2,160.6	3.6	-0-	2,164.2	-0-	2,164.2	100	-0-
	1980	694.6	5.5	-0-	700.1	560.9	1,261.0	56	44
	1981	479.2	29.9	-0-	509.1	-0-	509.1	100	-0-
Agricultural System Support	1979	95.1	-0-	-0-	95.1	-0-	95.1	100	-0-
	1980	3,223.5	1,381.5	-0-	4,605.0	-0-	4,605.0	100	-0-
	1981	4,427.8	7,539.2	-0-	11,967.0	-0-	11,967.0	100	-0-
Roads Gravelling	1979	2,339.8	48.2	-0-	2,388.0	59.9	2,447.9	98	2
	1980	1,329.8	-0-	-0-	1,329.8	-0-	1,329.8	100	-0-
	1981	1,604.9	38.8	-0-	1,643.7	-0-	1,643.7	100	-0-

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Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		(000 omitted)							
Arid and Semi-arid Lands Development	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	9.0	140.6	-0-	149.6	-0-	149.6	100	-0-
	1981	273.0	-0-	-0-	273.0	-0-	273.0	100	-0-
Partnership for Productivity-Rural Enterprise	1979	164.6	-0-	-0-	164.6	-0-	164.6	100	-0-
	1980	68.5	-0-	-0-	68.5	-0-	68.5	100	-0-
	1981	19.8	-0-	-0-	19.8	-0-	19.8	100	-0-
Dryland Cropping Systems Research	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	3.3	-0-	-0-	3.3	107.4	110.7	3	97
	1981	186.0	-0-	-0-	186.0	434.0	620.0	30	70
Kenya Increased Income, Employment and Production	1979	135.0	-0-	-0-	135.0	-0-	135.0	100	-0-
	1980	75.0	-0-	-0-	75.0	-0-	75.0	100	-0-
	1981	250.2	-0-	-0-	250.2	-0-	250.2	100	-0-
Improve Rural Technology	1979	-0-	-0-	-0-	-0-	-0-	-0-	0-	-0-
	1980	-0-	7.3	-0-	7.3	-0-	7.3	100	-0-
	1981	-0-	1.3	-0-	1.3	-0-	1.3	100	-0-
Rural Planning II	(Project activities begun in 1981 but no disbursements made.)								
Population									
Family Planning	1979	585.5	-0-	-0-	585.5	-0-	585.5	100	-0-
	1980	78.6	-0-	-0-	78.6	-0-	78.6	100	-0-
	1981	256.6	-0-	-0-	256.6	-0-	256.6	100	-0-
Population Studies and Research Center	1979	282.6	-0-	-0-	282.6	-0-	282.6	100	-0-
	1980	477.5	-0-	-0-	477.5	-0-	477.5	100	-0-
	1981	539.8	-0-	-0-	539.8	-0-	539.8	100	-0-
Health									
Kenya Rural Blindness Prevention (Phase II)	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	307.4	-0-	-0-	307.4	-0-	307.4	100	-0-
	1981	562.9	-0-	-0-	562.9	-0-	562.9	100	-0-

		Private				Public	Project	Percent	
Sector/Project	Year	U.S.	Host-country	Third-country	Total	total	total	Private	Public
				-(000 omitted)-					
Health Planning and Information	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	46.1	-0-	15.3	61.4	** 1/	61.8 1/	100	*
	1981	211.5	14.1	-0-	225.6	23.2	248.8	91	9
Kitui Primary Health Care	1979	29.1	-0-	-0-	29.1	-0-	29.1	100	-0-
	1980	6.2	-0-	-0-	6.2	-0-	6.2	100	-0-
	1981	103.2	-0-	-0-	103.2	-0-	103.2	100	-0-
Kibwezi Rural Health	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	20.4	-0-	-0-	20.4	-0-	20.4	100	-0-
	1981	304.8	-0-	-0-	304.8	-0-	304.8	100	-0-
Kenya Rural Blindness Prevention (Phase I)	1979	396.6	-0-	-0-	396.6	-0-	396.6	100	-0-
	1980	78.8	-0-	-0-	78.8	-0-	78.8	100	-0-
	1981	375.6	-0-	-0-	375.6	-0-	375.6	100	-0-
Selected Development									
Law in Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	38.9	-0-	38.9	-0-	38.9	100	-0-
Renewable Energy Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	2.5	-0-	2.5	-0-	2.5	100	-0-
Savings and Credit Management Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	46.7	-0-	-0-	46.7	-0-	46.7	100	-0-
	1981	251.7	-0-	-0-	251.7	-0-	251.7	100	-0-
Technology Training	(Project activities begun in 1981 but no disbursements made.)								

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Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		(000 omitted)							
Education and Human Resources Development									
African Manpower Development	1979	$ 191.1	$ -0-	$ -0-	$ 191.1	$ -0-	$ 191.1	100	-0-
	1980	315.5	-0-	-0-	315.5	-0-	315.5	100	-0-
	1981	230.9	-0-	-0-	230.9	-0-	230.9	100	-0-
Women in Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	49.9	73.4	123.3	-0-	123.3	100	-0-
Other									
Small Scale Enterprise	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	52.5	-0-	52.5	-0-	52.5	100	-0-
Commodity Import Grant	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	14,500.0	-0-	-0-	14,500.0	-0-	14,500.0	100	-0-
	1981	5,500.0	-0-	-0-	5,500.0	-0-	5,500.0	100	-0-

1/Mission did not report public disbursement and total disbursement figure was incorrect.
*Less than one percent.
**Less than $100.

Note: Totaled figures and percentages may vary due to rounding.
Source: Table compiled from Mission-provided data.

The Mission's report of the 27 projects showed that the U.S. private sector provided commodities on nine projects and the Kenyan private sector on three. The reported disbursement data also shows that the U.S. private sector provided technical assistance, training and construction for practically all of the 27 projects. To a much lesser extent, the Kenyan private sector was involved in some of the same types of activities. The Mission did not identify the nature of third-country implementation activities. The following sections briefly describe private sector involvement in AID's program.

Agriculture/Rural Development/ Nutrition

AID's use of the private sector in this area has been extensive as shown by table 7; over $23 million was paid to the United States and over $11 million to the Kenyan private sectors for the 3-year period. The projects also reflect promotion of indigenous private sector development.

The Mission reported on 14 agriculture sector projects, four of which support the Kenyan private sector through (1) a rural enterprises and extension program, (2) a program to facilitate the development of private enterprises and foster their capabilities, (3) the University of Nairobi in the further development of its veterinary faculty, and (4) credit to privately-owned ranches to help increase livestock production. One project was directed toward both the Government and private sector. Other projects focused primarily on Government activities such as improving farmers access to agricultural institutions, markets and storage facilities; strengthening the institutional capabilities of Government agencies; and land conservation.

The U.S. private sector was the principal implementor on four projects to develop and/or strengthen the Kenyan private sector, while the Kenyan private sector was involved in implementation of one project. Below is a brief discussion of selected projects.

--Colorado State University was contracted to implement the "University of Nairobi Veterinary Faculty" project and provide commodities, training and personnel. The objective of the project was to assist the University of Nairobi to further develop its clinical studies and improve its programs in postgraduate training and research.

--U.S. firms, General Research Corporation and Castle Engineering, provided technical assistance to AID's "Livestock Phase II" project. Over 30 Kenyan private sector firms and numerous U.S. firms provided commodities. AID's funds are providing credit through the

Government-owned Agricultural Finance Corporation to 60 group-ranches (enterprises of 50 to 100 families who collectively hold land title), and over 100 commercial and cooperative ranches.

American PVOs are implementing 3 projects dealing with rural enterprises, and employment and production.

--Partnership for Productivity is implementing a "Rural Enterprise Development" project providing on-the-job business training and development of managerial skills under a rural enterprise extension service.

--Technoserve, Incorporated, is implementing AID's "Kenya Increased Income, Employment and Production" project. The project purpose is to provide support for a program to facilitate the development of private enterprises in Kenya and foster private enterprise development capabilities.

--The University of California at Berkeley and five U.S. firms are implementing AID's "Agricultural System Support" project, directed toward both the Government and Kenyan private sectors. The purpose of the project is to increase the real income of Kenyan farmers through support in (1) manpower, (2) range research, (3) credit, (4) cooperatives and (5) storage and marketing. The U.S. private sector is also providing commodities and the Kenyan private sector is doing construction work.

Health

The U.S. private sector was the principal implementor of AID's health projects; Kenya and third-country private sectors participated in implementing one project. The Mission reported that expenditures to the private sectors during fiscal years 1979-81 amounted to $2.5 million--$14,000 to Kenyan, $15,000 to third-country, and $2.47 million to U.S. firms.

Three projects focused primarily on developing or strengthening government institutional capacity; another assisted the Government and a Kenyan PVO.

--The International Eye Foundation, an American PVO, is implementing the "Kenya Rural Blindness Prevention Project, Phase I", by working through the Kenya Society for the Blind and the Ministry of Health to establish a program of rural blindness prevention and health education in selected areas of Kenya.

--The International Eye Foundation is also implementing "Kenya Rural Blindness Prevention Project, Phase II." The Foundation is providing technical assistance to help Kenya's Ministry of Health to identify, treat and prevent eye disease and injury.

--Three U.S. universities, a Kenyan PVO and consultants, and various third-country private sector entities are implementing the "Health Planning and Information" project. The objective is to provide training and technical assistance to the Kenyan Ministries of Health and Economic Planning. The project will create, within these Ministries, trained staff with the capacity to plan, implement and evaluate health programs and policies.

--AID is providing assistance to the International/African Medical and Research Foundation (U.S.) to implement the "Kibwezi Rural Health" project. The objective is to (1) strengthen the Foundation's capability to plan, manage and evaluate rural health care service, (2) assist Kenya's Ministry of Health to develop integrated and comprehensive rural health services, (3) develop training programs for Ministry personnel, and (4) provide teaching material and learning resources for all rural health workers.

Population

U.S. universities, PVOs and commodity suppliers are providing technical assistance, training and commodities for one private and one public sector project.

--U.S. universities and the Population Council are implementing a "Population Studies and Research Center" project by providing technical assistance, training, and some commodities. The Research Center will be at the University of Nairobi, and will provide family planning training, and research required by public and private agencies.

--Various U.S. universities and suppliers are assisting Kenya through a "Family Planning" project to create a national maternal child health family planning framework for recruiting 640,000 new family planning participants and establishing service delivery points and mobile units for the distribution of contraceptives.

Selected Development

The three projects in this sector were started in 1980. Two of the projects were directed toward the Kenyan private sector and one was primarily focused on the Government. The Kenyan private sector was the sole implementor of one project, while American and Kenyan private entities are implementing the others. The projects directed toward the Kenyan private sector are briefly described below.

--The Cooperative Union National Association, an American PVO, is the sole implementor of the "Savings and Credit Management Development" project directed toward expanding and improving private credit unions.

--AID is providing funds to the Kenyan affiliate of Partnership for Productivity to implement a "Law in Development" project. The objective of the project is to provide para-legal advice to small-scale enterprises in rural markets and legal advice to organizations involved in these markets.

Other projects

The Mission also reported disbursements for two regional projects in the Education and Human Resources Development sector: "African Manpower Development" and "Women in Development."

An AID/Washington official said that the "African Regional Small-Scale Enterprises" project is being directed toward Kenya's private sector and is implemented by the Kenyan National Christian Council. The project is assisting the Council to upgrade its small-scale enterprise assistance program and expand the program's reach into poor communities in and around the secondary cities of Kenya.

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PERU

Table 8 shows AID project payments for fiscal years 1979-81, which demonstrate the degree of private sector participation in the Peru development program. AID's information showed that in 1979, $6.4 million (about 98 percent) of total project payments was made to U.S., host and third-country private sectors. In 1980, $8.7 million (about 95 percent) and in 1981, $24.7 million (about 97 percent) went to the private sectors.

AID Mission payments for operating expenses for fiscal years 1979-81 were reported as follows.

	Fiscal years		
	1979	1980	1981
U.S. private sector	$ 332,000	$ 300,000	$ 229,000
Peru private sector	1,011,000	803,000	1,002,000
Third-country private sector	29,000	16,000	2,000
Public sector	88,000	71,000	51,000
Total	$1,460,000	$1,190,000	$1,284,000

The Mission reported that 43 projects 1/ were in some stage of implementation during fiscal years 1977-81. According to the AID-supplied information, all but six projects had private sector participation; three were implemented primarily by the Peruvian Government and three others were approved but did not have a designated implementor. We categorized the AID reported projects as

--15 directed toward the Peruvian private sector,
--12 directed toward the Peruvian Government, and
--16 "others." 2/

We categorized project implementation as

--13 implemented by the Peruvian private sector,
--3 implemented by the U.S. private sector,
--14 implemented jointly by the U.S., Peruvian and/ or third-country private sector,
--10 implemented jointly by the Peruvian Government and the U.S. and/or Peruvian private sectors, and
--3 implemented primarily by the Peruvian Government.

1/Some projects cover more than one sector; three projects had no disbursements in fiscal years 1979-81.

2/These projects involved direct provision of services to beneficiaries and research into new projects.

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Table 8
USAID/PERU PROJECT PAYMENTS TO PRIVATE AND PUBLIC SECTORS IN FISCAL YEARS 1979-81

Sector/Project	Year	Private				Public	Project	Percent	
		U.S.	Host-country	Third-country	Total	total	total	Private	Public
		(000 omitted)							
Agriculture/Rural Development/Nutrition									
Fresh Water Fisheries Development	1979	$ 54.0	$ 62.0	$-0-	$116.0	$ -0-	$116.0	100	-0-
	1980	34.0	25.0	-0-	59.0	-0-	59.0	100	-0-
	1981	42.0	25.0	-0-	67.0	-0-	67.0	100	-0-
Soy and Corn Production on Small Farms	1979	-0-	14.0	-0-	14.0	-0-	14.0	100	-0-
	1980	159.0	31.0	-0-	190.0	-0-	190.0	100	-0-
	1981	352.0	84.0	24.0	460.0	-0-	460.0	100	-0-
Use of Treated Sewage for Irrigation	1979	-0-	-0-	-0-	-0-	25.0	25.0	-0-	100
	1980	8.0	18.0	-0-	26.0	-0-	26.0	100	-0-
	1981	9.0	43.0	-0-	52.0	-0-	52.0	100	-0-
Appropriate Rural Technology	1979	33.0	22.0	-0-	55.0	-0-	55.0	100	-0-
	1980	93.0	15.0	3.0	111.0	-0-	111.0	100	-0-
	1981	7.0	9.0	1.0	17.0	-0-	17.0	100	-0-
On-Farm Water Management	1979	68.0	-0-	-0-	68.0	-0-	68.0	100	-0-
	1980	34.0	6.0	-0-	40.0	-0-	40.0	100	-0-
	1981	161.0	-0-	-0-	161.0	-0-	161.0	100	-0-
The National Cooperative Bank	1979	11.0	-0-	-0-	11.0	-0-	11.0	100	-0-
	1980	90.0	78.0	-0-	168.0	-0-	168.0	100	-0-
	1981	59.0	225.0	-0-	284.0	-0-	284.0	100	-0-
Integrated Regional Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	2.0	10.0	-0-	12.0	-0-	12.0	100	-0-
	1981	1.0	9.0	-0-	10.0	40.0	50.0	20	80
Agricultural Research Extension and Education	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	1.0	-0-	-0-	1.0	-0-	1.0	100	-0-

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		(000 omitted)							
Land Use Inventory and Environmental Planning	(Project activities begun in 1981, but no disbursements made.)								
Soil Conservation	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	12.0	-0-	-0-	12.0	-0-	12.0	100	-0-
Small Hydroelectric Plans Development	(Project activities begun in 1981, but no disbursements made.)								
Campesino Rural Skills Training	1979	-0-	12.0	-0-	12.0	-0-	12.0	100	-0-
	1980	10.0	43.0	-0-	53.0	-0-	53.0	100	-0-
	1981	5.0	39.0	-0-	44.0	-0-	44.0	100	-0-
CARE/Community Food Production	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	13.0	56.0	-0-	69.0	-0-	69.0	100	-0-
	1981	-0-	143.0	-0-	143.0	-0-	143.0	100	-0-
Food for Work and Basic Infrastructure in the Pueblos Jovenes of Lima	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	138.0	158.0	-0-	296.0	10.0	306.0	97	3
Feeding Program for the Sierra Poor and Inhabitants of Urban Pueblos and Jovenes	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	16.0	-0-	16.0	-0-	16.0	100	-0-
Training for the Rural Woman	1979	-0-	39.0	-0-	39.0	-0-	39.0	100	-0-
	1980	-0-	18.0	-0-	18.0	-0-	18.0	100	-0-
	1981	-0-	14.0	-0-	14.0	-0-	14.0	100	-0-
Expanded Urban Food for Work Program	1979	-0-	137.0	-0-	137.0	-0-	137.0	100	-0-
	1980	3.0	129.0	-0-	132.0	-0-	132.0	100	-0-
	1981	19.0	-0-	-0-	19.0	-0-	19.0	100	-0-

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		(000 omitted)							
SEPAS Reforestation Food for Work Program	1979	$ 2.0	$ 1.0	$ 7.0	$ 10.0	$ -0-	$ 10.0	100	-0-
	1980	-0-	61.0	-0-	61.0	134.0	195.0	31	69
	1981	-0-	118.0	13.0	131.0	57.0	188.0	70	30
Urban Food for Work	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	145.0	-0-	145.0	-0-	145.0	100	-0-
Agriculture Coopera-tive Federations	1979	-0-	198.0	-0-	198.0	9.0	207.0	96	4
	1980	-0-	109.0	-0-	109.0	16.0	125.0	87	13
	1981	-0-	537.0	-0-	537.0	2.0	539.0	99	1
Water and Land Use in the Sierra	1979	1,233.0	377.0	-0-	1,610.0	74.0	1,684.0	96	4
	1980	1,126.0	537.0	-0-	1,663.0	142.0	1,805.0	92	8
	1981	181.0	966.0	-0-	1,147.0	149.0	1,296.0	89	11
Rural Development Agribusiness Fund	1979	-0-	3,559.0	-0-	3,559.0	-0-	3,559.0	100	-0-
	1980	-0-	2,619.0	-0-	2,619.0	-0-	2,619.0	100	-0-
	1981	-0-	8,522.0	-0-	8,522.0	-0-	8,522.0	100	-0-
Sub-Tropical Lands Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	21.0	244.0	2.0	267.0	117.0	384.0	70.0	30.0
	1981	2,530.0	4,196.0	32.0	6,758.0	63.0	6,821.0	99	1
Rural Enterprises Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	2,747.0	-0-	2,747.0	-0-	2,747.0	100	-0-
	1981	132.0	4,754.0	-0-	4,886.0	-0-	4,886.0	100	-0-
Program Development and Support	1979	86.0	57.0	2.0	145.0	-0-	145.0	100	-0-
	1980	41.0	121.0	7.0	169.0	-0-	169.0	100	-0-
	1981	82.0	235.0	9.0	326.0	-0-	326.0	100	-0-
Population									
Responsible Parent-hood Program	1979	-0-	-0-	-0-	-0-	35.0	35.0	-0-	100
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
				(000 omitted)					
Extension of Integrated Health	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	36.0	-0-	2.0	38.0	-0-	38.0	100	-0-
Sur Medio Health Region Project in Maternal and Child Health Population	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	7.0	-0-	-0-	7.0	216.0	223.0	3	97
Family Planning Consulting Centers	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	1.0	19.0	2.0	22.0	-0-	22.0	100	-0-
Program Development and Support	1979	8.0	12.0	2.0	22.0	-0-	22.0	100	-0-
	1980	26.0	10.0	2.0	38.0	-0-	38.0	100	-0-
	1981	34.0	2.0	2.0	38.0	-0-	38.0	100	-0-
Education and Human Resources Development									
Education Service Centers	1979	-0-	100.0	-0-	100.0	-0-	100.0	100	-0-
	1980	3.0	236.0	-0-	239.0	-0-	239.0	100	-0-
	1981	34.0	100.0	-0-	134.0	-0-	134.0	100	-0-
Decentralizing Education Planning	1979	90.0	94.0	-0-	184.0	-0-	184.0	100	-0-
	1980	22.0	34.0	-0-	56.0	-0-	56.0	100	-0-
	1981	9.0	25.0	-0-	34.0	-0-	34.0	100	-0-
Pre-School Education as a Catalyst for Community Development	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1981	96.0	-0-	-0-	96.0	101.0	197.0	49	51

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		- - - - - - - - - - - - - - -(000 omitted)- - - - - - - - - - - - - - -							
LAC Regional Training for Development Project	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	4.0	-0-	1.0	5.0	2.0	7.0	71	29
	1981	4.0	-0-	-0-	4.0	6.0	10.0	40	60
Fey Algeria Skills Training	1979	12.0	66.0	-0-	78.0	-0-	78.0	100	-0-
	1980	37.0	103.0	-0-	140.0	-0-	140.0	100	-0-
	1981	-0-	23.0	-0-	23.0	-0-	23.0	100	-0-
Program Development Support	1979	3.0	4.0	-0-	7.0	-0-	7.0	100	-0-
	1980	-0-	8.0	-0-	8.0	-0-	8.0	100	-0-
	1981	12.0	4.0	-0-	16.0	-0-	16.0	100	-0-
Selected Development									
Water Management in Small Communities	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	39.0	-0-	39.0	-0-	39.0	100	-0-
	1981	45.0	35.0	-0-	80.0	-0-	80.0	100	-0-
Integrated Development of Campesino Communities	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	-0-	10.0	-0-	10.0	-0-	10.0	100	-0-
	1981	-0-	7.0	-0-	7.0	-0-	7.0	100	-0-
Legal and Social Services for Women	1979	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1980	12.0	21.0	-0-	33.0	-0-	33.0	100	-0-
	1981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Special Development Activities	1979	-0-	17.0	-0-	17.0	-0-	17.0	100	-0-
	1980	-0-	48.0	-0-	48.0	-0-	48.0	100	-0-
	1981	-0-	94.0	-0-	94.0	-0-	94.0	100	-0-
Program Development and Support	1979	12.0	1.0	-0-	13.0	-0-	13.0	100	-0-
	1980	10.0	6.0	-0-	16.0	-0-	16.0	100	-0-
	1981	19.0	5.0	-0-	24.0	-0-	24.0	100	-0-

Sector/Project	Year	Private				Public total	Project total	Percent	
		U.S.	Host-country	Third-country	Total			Private	Public
		(000 omitted)							
Health									
Extension of Integrated Primary Health	1979	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	-0-	-0-
	1980	17.0	-0-	-0-	17.0	-0-	17.0	100	-0-
	1981	88.0	48.0	-0-	136.0	158.0	294.0	46	54
Rural Water Systems and Environmental Sanitation	(Project activities begun in 1981, but no disbursements listed.)								
Program Development and Support	1979	3.0	5.0	-0-	8.0	-0-	8.0	100	-0-
	1980	2.0	4.0	3.0	9.0	-0-	9.0	100	-0-
	1981	7.0	6.0	-0-	13.0	-0-	13.0	100	-0-

Note: Totaled figures and percentages may vary due to rounding.
Source: Table compiled from Mission-provided data.

Summarizing U.S. private sector participation in AID's development program for Peru, we found that 14 commercial firms provided commodities and eight others provided technical assistance. Prominent among suppliers were Ford, General Motors, Chrysler and Olympia, which provided vehicles and office equipment to support project activities. For many projects, technical assistance and commodities were provided by firms which AID did not individually name. Augumenting this private participation were over 20 individual U.S. technical advisors and consultants and 11 U.S. universities which provided technical assistance or actively participated in implementing several AID projects. CARE was the only American PVO reported by AID to have participated in the program during 1977-81; CARE's local affiliate was also involved in several projects.

Indigenous private sector participants included numerous individual consultants and technical advisors who provided technical assistance and miscellaneous vendors who supplied commodities and equipment to AID projects. Eleven host-country PVOs including local affiliates of CARE and Seventh Day Adventist World Service also provided various services to AID projects. AID did not list any local universities as participants for this time period, but several third-country institutions including the University Iberoamerican (Mexico) were listed as participants. The University of Puerto Rico also participated.

The following sections summarize private sector activities in the program.

Agriculture/Rural Development/ Nutrition

The 25 projects related to agriculture/rural development/nutrition accounted for over 90 percent of AID project payments during fiscal years 1979, 1980 and 1981. According to AID, the U.S. and Peruvian private sectors received at least 95 percent of total project payments in this sector during 1979-81.

U.S. private sector participation in AID agriculture projects most often involved consulting services, technical assistance or commodities. Vehicles for project implementation were procured from Chrysler, Ford and General Motors on eight separate projects. Construction and office equipment was also procured from American firms. U.S. universities including Ohio State, Illinois, Colorado State, Utah State and Michigan State participated in the implementation of various projects. CARE was the only American PVO to participate in agricultural projects during the period; CARE's Peru affiliate also participated in the projects. Below are examples of U.S. private sector participation.

- --The University of Illinois has been working under the "Soy and Corn Production on Small Farms" project begun in 1977 which aims toward self-sustaining growth in the production of soybeans and corn on small farms.

- --General Motors supplied vehicles to the AID "Soil Conservation" project in Cajamarca which began in 1981.

- --CARE has provided technical assistance to its affiliate to implement a "Food-for-Work" project in Lima since 1981.

- --The Environmental Research Institute of Michigan has provided technical assistance to the Government to strengthen its capabilities in environmental assessment and protection through the "Land Use Inventory and Environmental Planning" project begun in 1981.

Indigenous private concerns also participated in many of the agricultural projects and received over $31 million in payments while U.S. concerns received about $6.8 million. Peruvian private sector entities receiving project payments included:

- --Six PVOs, to implement various "Food-for-Work" and other nutrition projects;

- --BANCOOP, the National Cooperative Bank, to strengthen its capabilities to assist rural cooperatives;

- --Consultants and firms, to provide technical assistance on a variety of projects; and

- --Vendors to provide equipment and supplies.

Several projects were directed toward strengthening private sector capabilities. For example, under the "Rural Enterprise Development I" project, two Peruvian institutions received funds for re-lending to small enterprises. Between 1976 and January 1979, 3,249 loans were made to establish or expand small rural enterprises. More than half of these loans were for less than $3,000. This program led to a follow-on project which provided additional funding of about $8 million to increase the lending capacity of the fund and to enhance the Bank's ability to provide technical assistance in project design to small entrepreneurs.

AID has also assisted private sector activity in Peru through its financing:

- --A "Rural Development Agribusiness Fund," within the Central Bank, to assist entrepreneurs who process or market agricultural products, or provide goods and services to the agricultural sector;

--A "Fresh Water Fisheries Development" project conducted by Colorado State University to develop and test a viable model for commercial fresh-water fish production by rural highland communities; and

--An "Agriculture Cooperative Federations" project designed to improve production, marketing and industrialization for member organizations.

Education and Human Resources Development

Some projects were directed primarily toward enhancing government capabilities to provide educational services. U.S. and Peruvian private concerns were also implementing several of the projects.

--Peruvian firms were constructing educational facilities under an "Education Service Centers" project begun in 1978. Both American and Peruvian consultants and firms were providing technical assistance and educational equipment.

--The University of New Mexico was helping to expand a low-cost pre-school education program for disadvantaged children through the "Pre-School Education as a Catalyst for Community Development" project.

--Fe y Alegria, a local PVO, was training urban slum dwellers in its vocational workshops under the "Fe y Alegria Skills Training" project.

Olympia, Ford and Sears were among the U.S. companies supplying commodities for education projects.

Health and Population

Peru's Ministry of Health was the primary implementor on three projects. Private participation consisted mainly of technical assistance by U.S. and Peruvian technicians and consultants, and commodity purchases from U.S. and Peruvian suppliers. American and Peruvian consultants were active in developing new health projects for AID, and several universities including Columbia, Johns Hopkins, and Texas, were developing new family planning projects.

Instituto Marcelino, an indigenous PVO, is extending its family planning services to areas outside Lima under the "Family Planning Consulting Centers" project begun in 1981.

Selected Development

Three indigenous PVOs implemented AID projects in the Selected Development sector:

--The Asociation para el Desarrollo Rural de Cajamarca (Cajamarca Rural Development Association) has been helping to restore ecological stability in rural areas under the "Water Management in Small Communities" project begun in 1980.

--The Center for Rural Studies and Development, through AID's "Integrated Development of Campesino Communities" project, has been helping to improve the income, health and educational status of communities in Puno City since 1980.

--Movimiento Derechos de la Mujer (Movement for Women's Rights) has advised urban women as to their legal and social rights through the AID "Legal and Social Services for Women" project begun in 1980.

Individual community organizations have implemented a variety of small development projects under a "Special Development Activities" project since 1954. Various U.S. and Peruvian consultants have helped develop new projects in the selected development area.

Centrally funded projects

AID's Bureau for Science and Technology and Office of Private and Voluntary Cooperation provided us with data on a large number of centrally funded projects which were active in Peru during fiscal year 1981. Science and Technology data showed that at least 27 Science and Technology projects were underway during that year. Although many of these projects involve research and take place in more than one country, these activities collectively augment AID's development efforts in Peru. Bureau officials advised us that the bulk of its projects are implemented by the U.S. private sector, particularly by American universities.

Information provided by the Office of Private and Voluntary Cooperation showed that nine American PVOs were working on housing, health, community development, and training projects.

SELECTED REFERENCES TO THE USE OF THE PRIVATE SECTOR IN FOREIGN ASSISTANCE PROGRAMS AS CONTAINED IN THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED THROUGH 1981

Section	Provision
102(b)	Sets U.S. policy of using the private sector in development programs to the maximum extent practicable.
103(b)	Encourages creation and strengthening of local institutions, organization of credit services, and stimulation of small, labor-intensive, rural enterprises.
106(d)	Authorizes urban programs emphasizing small enterprises, marketing for small producers, and financial institutions for the urban poor.
107(b)	Authorizes a private effort to promote appropriate technology in developing countries.
111	Encourages the development and use of cooperatives in developing countries.
123(f)	Mandates that the President spend at least 12 percent (and ideally 16 percent) of development and disaster funds through PVOs for fiscal years 1982, 1983, and 1984.
214	Authorizes assistance to American Schools and Hospitals Abroad.
221	Authorizes the Housing Investment Guaranty program to be geared toward developing host-country housing construction capabilities and stimulating local credit institutions to assist housing programs.
222A	Authorizes pilot programs in Latin America to encourage private banks, credit institutions, cooperatives, and PVOs to make loans for agricultural credit and self-help community development projects.
231	Authorizes the Overseas Private Investment Corporation to facilitate the participation of U.S. private concerns in the economic and social development of friendly developing countries.
296	Authorizes programs to strengthen the capabilities of U.S. universities to conduct agricultural development programs.

Section	Provision
495H	Provides that Cambodian Disaster Relief should be provided to the maximum extent possible through international agencies and PVOs.
601	States the U.S. policy of encouraging free enterprise and private participation in developing countries. Specifies Presidential actions to facilitate private enterprise participation in foreign assistance programs.
602	States that the President should assist U.S. small businesses to participate equitably in foreign assistance programs.
661	Authorizes the Trade and Development Program.

THE HOUSING GUARANTY PROGRAM

The Housing Guaranty Program is AID's principal means for helping developing countries to address their shelter needs. This is a unique activity in which U.S. private sector funds provide long-term financing for low-income shelter and urban upgrading programs. The loans are guaranteed by the U.S. Government (which in turn receives host-government guaranties). Maximum interest rates to lenders are established by law and reflect the current cost of money in the United States. Since its beginning in the early 1960s, the Agency reports more than $1.5 billion in Housing Guaranty loans have been authorized for projects in 42 countries.

AID's Office of Housing reported in 1981 that the shelter programs encourage economic growth by promoting maximum employment of local labor and development of local industries (particularly the construction and material-supplier industries). Agency officials believe that the program stimulates local credit institutions to mobilize personal savings.

Agency officials said that the host government retains approximately 10 percent for planning and managing each project loan in a developing country, but that these functions are frequently contracted out to domestic, or in some cases, U.S. private firms. The remaining 90 percent of loan funds is used for housing construction and maintenance, which frequently flows to the host-country private sector through construction and material contracts.

During fiscal year 1979, Office of Housing expenditures amounted to $2.3 million for 23 contracts with the U.S. private sector for studies and technical assistance to the housing program. In fiscal years 1980 and 1981, $4.7 million was spent for 29 contracts and $3.4 million for 28 contracts, respectively.

THE PRODUCTIVE CREDIT GUARANTY PROGRAM

The Productive Credit Guaranty Program was authorized under Section 222A of the Foreign Assistance Act (FAA) of 1961. The Program is limited to Latin American countries. Initially, the FAA under Section 240 authorizes the Overseas Private Investment Corporation (OPIC) to conduct a pilot program of "Agricultural and Self-Help Development Community Projects." Program authorization provided for the U.S. Government to use $15 million in guaranty authority for private loans to small entrepreneurs in "not more than five" Latin American countries.

The Program was designed to create a new vehicle for AID assistance to productive activities undertaken by small businesses or lower-income entrepreneurs. Through the Program, AID serves as a partial guarantor for loans by commercial lenders to small, low-income entrepreneurs. The partial guaranty serves as a risk-neutralization mechanism and is intended to encourage private lenders to invest in eligible productive enterprises.

On December 30, 1974, amendments to the FAA transferred the program to AID as the "Agricutural and Productive Credit and Self-Help Community Development Program." The International Development Corporation Act of 1979 extended the Program to September 30, 1982, increased its guaranty from $15 million to $20 million, and provided for the program to be used to assist up to six Latin American countries.

AID reports that since 1975 efforts have been made to develop guaranty systems through pilot programs in the following countries.

Loans As of April 1982

	Number of Loans	Value (000 omitted)
Bolivia	1,222	$ 2,543
Paraguay	661	12,056
Nicaragua	185	1,200
Costa Rica	96	536
Total	2,164	$16,335

AID reports that the central banks in the four countries have been unable to adquately support the Program due to balance-of-payment problems, although in Paraguay, for example, the Program generated 634 projects and some 3,906 new jobs. AID has transferred the Program to its Private Enterprise Bureau, and a 1-year extention of the Program's legislative authority beyond September 1982 has been requested.

GPO 892-008